

Money

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WHAT
TO DO
WITH
\$1,000
NOW

PLUS

BEST MOVES
FOR \$10,000 AND
\$100,000

HOW TO STAY STEADY IN A SHAKY MARKET P. 45

SAVE \$1,500 A YEAR ON CAR COSTS P. 34



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*SmartMoney magazine, June 2010, 2011, and 2012. Industry review ranking leading discount brokers based on ratings in the following categories: commissions and fees, mutual funds and investment products, banking services, trading tools, research, and customer service.

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WE'VE FOUND THAT INTEGRITY IS NOT SUBJECT TO BULL AND BEAR MARKETS.

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¹The Lipper Award is given to the group with the lowest average decile ranking of three years' Consistent Return for eligible funds over the three-year period ended 11/30/12, 11/30/13, and 11/30/14 respectively. TIAA-CREF was ranked among 36 fund companies in 2012 and 48 fund companies in 2013 and 2014 with at least five equity, five bond, or three mixed-asset portfolios. Past performance does not guarantee future results. For current performance and rankings, please visit the Research and Performance section on tiaa-cref.org. TIAA-CREF Individual & Institutional Services, LLC, Teachers Personal Investors Services, Inc., and Nuveen Securities, LLC, members FINRA and SIPC, distribute securities products. ©2015 Teachers Insurance and Annuity Association of America—College Retirement Equities Fund (TIAA-CREF), 730 Third Avenue, New York, NY 10017. C24849C

Consider investment objectives, risks, charges and expenses carefully before investing. Go to tiaa-cref.org for product and fund prospectuses that contain this and other information. Read carefully before investing. TIAA-CREF funds are subject to market and other risk factors.

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HIGH-OCTANE

Watch as reviewer Bill Saporito hits the road to tell you which cars are worth the money. (And which ones have a backseat big enough for a 6-foot-2 man.) money.com/video





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How We Practiced *What We Preach*



OKAY, I ADMIT IT. I peeked. Only once, mind you, and just a fleeting glance, but at the depth of the summer slide in stocks, I checked my 401(k) balance. Of course, I know better: The cardinal rule of long-term investing is not to get caught up in the daily, weekly, or even monthly vagaries of the market. The damage wasn't as bad as I'd imagined—thank you, diversification!—but I won't repeat the exercise anytime soon.

A quick poll of our staff suggests most people who work at MONEY kept a cool head as the market melted down—yes, it seems, we really do

follow our own advice. What helped us stay calm? Here's a sampling:

➔ **Focus on the endgame.** Most staffers chose not to look at their portfolios, and no one made any changes. "I've lived through more of these market gyrations than I can count," says editor Greg Daugherty. "The lesson every time has been that people who ride it out do better in the long run (and often the short run) than people who panic and bail."

➔ **Seek wise counsel.** Several folks who work with financial planners checked in with them for reassurance. A few younger staffers turned to our seasoned investment writers

to help make sense of the market mayhem. Social media writer Alicia Adamczyk was one of them, emerging from such a chat "inspired" to know more about investing: "It made me realize how crucial it is for people my age to stake out time to learn the basics."

➔ **Psych yourself out.** Since stocks had been "frothy" for a while, editor Rachel Elson had mentally priced in a big decline. "Every time I looked at my balance, I'd think, What I really have is 70% of this amount," she says. "That made the actual 10% drop feel like nothing."

➔ **Let yourself be distracted.** Investing editor Paul Lim didn't check his portfolio balance, partly because, he says, "I was too busy writing about the news to see how the news was affecting my own 401(k)." Find Lim's latest market analysis, "Keep Calm Amid Panic," on page 45 and in his columns on Money.com.

I hope you find Paul's advice as reassuring as the rest of us here do. And enjoy the entire issue.

Diane Harris

DIANE HARRIS
EDITOR

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¹ National savings rate courtesy of Bankrate.com's 2015 Passbook & Statement Savings Study, as of 04/22/15; survey is compiled semi-annually April 15 and October 15 of current year

² Barclays Online Savings Annual Percentage Yield (APY) is valid as of 06/10/2015. No minimum opening balance or deposit required to open. Fees could reduce the earnings on the account. Rates may change at any time without prior notice, before or after the account is opened. No minimum balance to open, but for interest to post to your account you must maintain a minimum balance that would earn you at least \$0.01.

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FIRST

Eligible workers who use a health care FSA

You already know some of next year's medical bills: co-pays, prescriptions, maybe new glasses. Pretax cash deposited into a flexible spending account (FSA) is like found money, yet most folks don't bother to pay these expenses, reports Mercer. "People are sometimes very shortsighted," says Carolyn McClanahan, a financial planner in Jacksonville. Open enrollment starts soon. Plan now.

SAVINGS PLAN

MORE THAN MEDICAL You can contribute up to \$2,550 a year for approved health care expenses, but that's not the only way to save. A dependent-care FSA can be used to fund before- and after-school care for kids under 13, licensed adult care for an elderly parent, and even day camp. Annual contribution limit: up to \$5,000.

HOW MUCH TO SET ASIDE One hitch with FSAs had been that you'd lose what you didn't use by year's end. Many health plans provide online tools to help calculate your allocation. What's more, six out of 10 employers now allow a \$500 annual carryover. Ask your HR department.

STRETCH YOUR HSA Even if you have a high-deductible health plan with a health savings account, you may be able to use a Limited Purpose FSA for vision and dental costs. That allows you to keep your HSA money invested—and growing. —KATE ASHFORD



FINANCES

Bank \$1 Million. (It's Easier Than You Think)

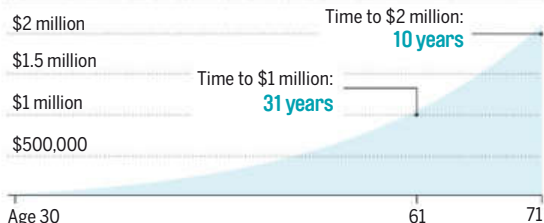


WHEN IT COMES TO SAVING for retirement, most Americans don't even know how behind they are. What's more, research shows that savings trends are getting worse, despite a decades-long push to enroll workers in 401(k)s and other employer plans. What gives?

One of the problems is obviously procrastination—it's hard to resist the immediate gratification you get from spending. The other, less obvious hurdle involves financial literacy. Most people don't grasp the power of compound savings. A team of researchers found that the majority of people believe that savings grow in a straight line. Only 22% understand that the growth is exponential. As your savings compound, you earn interest on interest, so your money grows faster and faster.

What that means is that while it can take a long time to save your first \$1 million, it's a lot quicker to get to \$2 million. If more Americans understood that—and acted on it—there would be good reason to be optimistic about retirement. —PENELOPE WANG

The million-dollar effect of compound interest



NOTES: Chart assumes a 30-year-old with a starting salary of \$75,000 and 3% annual raises. She puts away 10% of her salary every year and earns 6% on her savings.



BIG TUITION DISCOUNTS

Those scary tuition prices at most private colleges? Only 11% of freshmen paid them in full last year, according

to a survey by the National Association of College and University Business Officers. The rest received a grant or

scholarship worth, on average, 54% of the published cost. The survey indicates that colleges are luring students with big grants, often labeled "merit scholarships" to flatter recipients, but really more like a discount off the retail price.

The most selective colleges

on MONEY's Best Colleges list gave grants to about half their students. But nearly 100 schools award a scholarship to every freshman. Those colleges accept 66% of applicants on average. Find the complete list at money.com/best-colleges.

—KIM CLARK

QUOTED

"It doesn't come naturally for most people to have an un-emotional approach to investing."

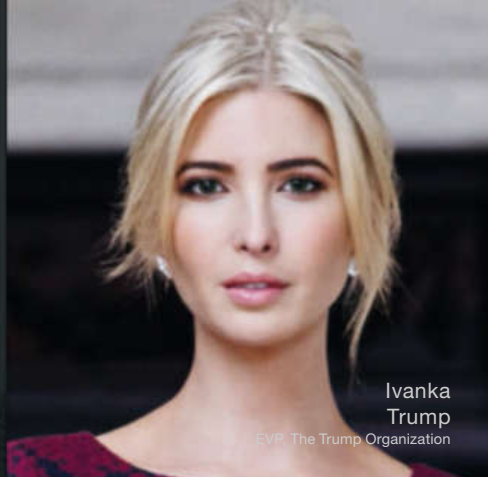
Russ Koesterich, chief investment strategist at BlackRock, on the difficulty of staying calm in a turbulent market



Megyn
Kelly
Anchor, Fox News



Mary
Barra
CEO, GM



Ivanka
Trump
EVP, The Trump Organization



Ursula
Burns
CEO, Xerox



Kirsten
Gillibrand
US Senator, NY

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Mika
Brzezinski
Anchor, MSNBC



Muriel
Bowser
Mayor, Washington D.C.



Katie
Couric
Global Anchor, Yahoo

READERS TO THE RESCUE

“My company is downsizing. I don’t want to worry my wife, but should I warn her I could be laid off?”



SEE
“BEST CREDIT
CARDS.”
PAGE 62.



I’ve been through this. It’s important your wife knows, even if it doesn’t happen. She should understand it isn’t your fault, just a quirk of the company.

JUDITH WARNER
Portland, Conn.

If both of you know it’s coming, you can reduce your spending. It will be worse if you don’t plan.

JIM ODELL
Grosse Point Park, Mich.

It depends how secure you feel your position is. If you think you could be let go, then your wife needs to know.

ROBERT CROSBY
Crosby, Texas



Research unemployment benefits, possible

freelance income, and cutting expenses. Then have a candid conversation to develop a plan.

D. GONZALEZ
Los Angeles

It’s sweet you don’t want to worry your wife. But marriage is a partnership, and your financial partner deserves to know what might be coming.

CYNTHIA K. MARSHALL
Dayton



Not informing her could lead to many issues for the two of you. Tell her it might happen, then plan together. There’s an old saying, “If you fail to plan, you plan to fail.”

ERIC GREEN
Lyman, Maine

Yes, but only after you’ve made sure your résumé is current and you’ve started at least posting it on LinkedIn, etc. That way you can tell her you’ve also developed a Plan B.

GARY WILSON
Hamilton Square, N.J.

THE EXPERT SAYS

Ask yourself why you don’t feel comfortable talking to your wife about your worries, then go to work changing that. Start by discussing the layoffs. She needs the information anyway, and it will help you address what’s keeping you from telling her. Sometimes we project these worries onto our partner.

AARON ANDERSON
Marriage therapist and director, the Marriage and Family Clinic, Westminster, Colo.

✉ Want solutions to a financial dilemma in your life? Email your question to social@money.com.

FACEBOOK QUESTION OF THE MONTH

WHAT IS YOUR FAVORITE CREDIT CARD PERK?

“I get 6% back at supermarkets with the Blue Cash Preferred from American Express.”

—CALEB MILLSAP

“Miles and more miles. With sign-up bonuses and double miles for miles flown, we are nearing two first-class tickets to Australia.”

—LEONARD LIPKIN

“Free museum admission with Bank of America.”

—ROMILA PRASAD

“Building credit on money I was going to spend anyway!”

—ANTHONY HAMILTON

“As a young person (27), I like the ability to track my credit score and develop healthy habits like paying in full every month.”

—TOM MCMORROW

“50% off at selected restaurants and concierge to book movie tickets.”

—JEFF HOFER

“My favorite credit card perk is not having one!”

—KEVIN MILLER

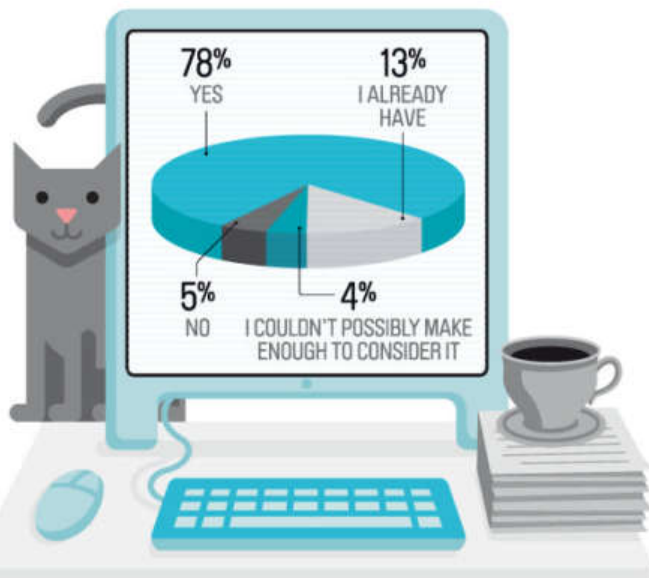


Next month's question: **Have you been a victim of identity theft?**
How much was stolen? Tell us about it at Money.com.

FIRST
THE STATS

MONEY READERS WEIGH IN

POLL: If you could make enough money to live on, would you go freelance?



The Freelance Economy

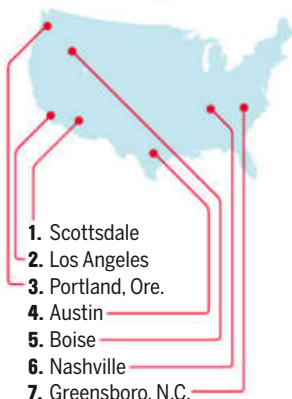
THE HIGHEST-PAYING JOBS YOU CAN DO AT HOME (ON AVERAGE)

\$112/hour
Patent lawyer

\$72/hour
Voice-over

\$61/hour
Programmer

7 BEST CITIES FOR FREELANCERS*



NUMBER OF FREELANCERS WHO WORK AT LEAST 15 HOURS PER WEEK

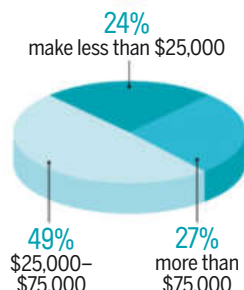
ALL FREELANCERS: 30 MILLION

17,800,000

WHAT PAY GAP? FEMALE FREELANCERS EARN (NEARLY) WHAT MEN DO

All women **78%**
Freelance women **97%**

THE BOTTOM LINE: INCOMES



WRITE-OFFS Frequently overlooked tax deductions

- 1 Insurance (health and business)
- 2 Unpaid invoices
- 3 Education courses

WHY THEY QUIT THEIR DAY JOBS The majority of freelancers—**59%**—said they made the switch completely by choice; **9%** went freelance only after they were laid off; and **32%** cited a combination of reasons.

WHAT TO CHARGE? DON'T FORGET TO FACTOR IN SUPPLIES, INSURANCE, AND OVERHEAD COSTS

Annual salary

÷ 52 weeks

÷ 40 hours

× 2.5 (FOR OVERHEAD)

= **Freelance hourly rate**

FREELANCERS WHO EARNED \$100,000+

2011 2 million

2015 2.9 million

AN INCREASE OF 45%

NOTES: *Data based on cities with highest self-employment income, lowest cost of health insurance and rent (on average), and other factors. Online poll conducted in August and September; 924 responses. SOURCES: MBO Partners 2015 State of Independence survey, Freelancers Union, 2015 Payoneer Income Survey, NerdWallet

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FARNOOSH TORABI

SIMPLE HABITS, BIG PAYOFFS

Before she became a personal finance expert, **Farnoosh Torabi** struggled to pay off tens of thousands of dollars in debt. But she found that following a few simple rules can help you build a solid financial life. Here are her money mantras.



GIVE YOUR MONEY MEANING

"Don't just leave your money in a checking account. Have different buckets for different goals. For example, a 401(k) for retirement, a 529 for college savings...Accounts can be added as financial and life goals change over time, while keeping your money working hard for you. And, there are tax incentives to boot!"

BE YOUR BIGGEST FINANCIAL ADVOCATE

"Review your financial statements, and schedule regular visits with a financial advisor. I find this empowering because it reminds me that I have the ability to steer my financial destiny."

DON'T GO IT ALONE

"In so many areas of our lives we rely on other people's expertise and experience. Most of us don't think twice about going to the doctor when we are sick or to a mechanic for car trouble, so why should getting expert financial advice be any different? It's important to build a brain trust of experts, such as with a trusted, dedicated financial advisor who knows you, to help you make smarter, healthier decisions."

"Financial planning is one area where it's never a good idea to just wing it. It's always better to set goals and have a financial expert guide your investment strategy."

Build on the strategies and tips shared by personal finance expert, Farnoosh Torabi. Visit a Chase branch today to benefit from personalized advice and investment expertise from a dedicated team committed to helping you pursue the goals most important to you.

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We're on the same page.



Technically, we're on the next page. But we couldn't agree more with personal finance expert Farnoosh Torabi. Meet with one of our Advisors to discuss your financial goals and benefit from exclusive access to planning advice and investment expertise from J.P. Morgan.

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COLLECT
THEM ALL!



FOR USE WITH ALL MIDSIZED
COMMERCIAL VEHICLES!



Plan



Get a Health Plan Checkup

EMPLOYER COVERAGE IS GETTING MORE RESTRICTIVE. HERE'S HOW TO MAKE A SMART CHOICE. *by Kara Brandeisky*

AS HEALTH CARE COSTS continue to outpace inflation, companies are finding additional ways to have employees bear more financial responsibility for their coverage. Among the changes you could see during open enrollment this year: Your employer might be offering a slimmer list of in-network doctors, making you pay extra for your spouse's coverage, or pushing you into a high-deductible plan.

As a result, the insurance you chose last year may no longer be the best deal. Use these strategies to compare your options.

PRICE YOUR SPOUSE

Next year, 37% of employers plan to levy a surcharge on spousal coverage—\$100 a month on average—when spouses can get health care from their own jobs, Towers Watson found. That's up from 25% two years ago. What to do:

➤ Compare separate and shared.

If you and your spouse both have coverage through work, “you have to look at three options,” says financial planner Rick Kahler: putting both of you on your plan, both on your spouse's plan, or each of you on your own plan. Start with the monthly costs for each. Then compare your medical-spending history over the past year with what you would have paid out of pocket on each plan—including deductibles, co-insurance, out-of-pocket maximums, and prescription benefits—to identify the plan with the lowest projected outlay.

➤ **Factor in the kids.** Only 3% of large employers make you pay higher premiums for each new dependent, Mercer says. Likewise, while 40% of family PPOs have individual deductibles (\$821 on average), on 45% of the plans, the entire family shares an aggregate deductible (\$1,947 on average), according to the Kaiser Family Foundation. Families of three or more should opt for these “group discounts.”

BE A SAVVY NETWORKER

In 2016, 22% of employers plan to offer so-called narrow network plans, which can cost less but include fewer in-network providers, according to Towers Watson. Another 39% say they're considering such plans for 2017 or 2018.

Why does this matter? Because

you'll pay a lot more for doctors who aren't in your network. Here's how to evaluate your options:

➤ **Check who's in.** Rule out plans that don't cover your main health providers. Call your family's primary care doctors and regular specialists and ask if they are in a plan's network, says Robin Gelburd, president of nonprofit FAIR Health. And use your insurer's online tools (or call the billing office) to see if your local hospital is in-network.

➤ **Prevent cost surprises.** Next, look at each plan's out-of-network co-insurance rates, deductibles, and out-of-pocket maximums to see where you'd pay the least for out-of-network care. Even if your doctor is in your insurer's network,

her lab or anesthesiologist may not be. With out-of-network costs, you generally pay twice as much out of your own pocket before you hit the deductible and insurance kicks in, Mercer finds; then you pay a bigger share of the cost. If an otherwise favorable plan could leave you on the hook for out-of-pocket surprises, budget for that risk with an HSA or other savings, Gelburd says.

EVALUATE YOUR RISK

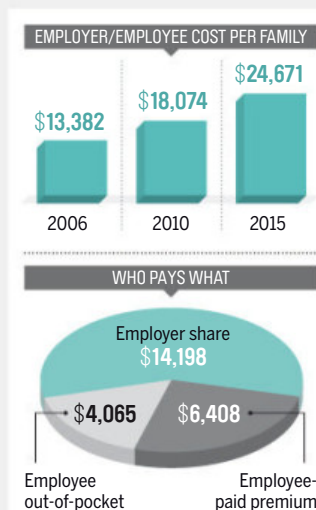
In 2016, three-fourths of employers plan to offer a high-deductible plan, where you'd be likely to pay less in premiums but more out of pocket before insurance covers part of the bill. At 22% of employers, high-deductible plans will be the only option, Towers Watson says. If you have a choice, should you risk a higher cost? How to calculate your potential out-of-pocket outlay:

➤ **Know your past costs.** Check your spending history, says Kahler; you should be able to find it on your insurer's website. Calculate how much you'd pay on each plan if you got the same care this year. Didn't hit your deductible last year? Unless you anticipate a change—a pregnancy, say, or a newly diagnosed illness—opt for a higher deductible and save on premiums.

➤ **Weigh HSA cash.** Families with plan deductibles of more than \$2,600 can open tax-preferred health savings accounts; for singles the threshold is \$1,300. And 73% of employers even contribute to your family HSA—an average \$1,744, Kaiser Family Foundation says—to encourage you to pick a high-deductible plan. When calculating expected out-of-pocket costs, make sure you factor in that contribution. ■

Up, Up, and Away

Total health care costs for a typical family have almost doubled in the past decade.



NOTES: Cost is for a family with two parents and two children on an employer's PPO. SOURCE: Milliman Medical Index

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Corbett's second shop, in Pittsburgh's hip Shadyside neighborhood, is triple the size of the original Salúd location.

Fresh-Squeezed Revenue

A FOCUS ON CLIENTS' HEALTH LED PSYCHOTHERAPIST AND SERIAL ENTREPRENEUR GINNY CORBETT TO OPEN A PAIR OF JUICE BARS. *by Kerry Hannon*

GINNY CORBETT, 52, SEWICKLEY, PA.

THEN PSYCHOTHERAPIST

NOW JUICE ENTREPRENEUR

IN THE BEGINNING, Ginny Corbett says, she just wanted to help people heal.

While working as a licensed psychotherapist, it puzzled her that many of her clients relied on pills to battle depression and anxiety, doing nothing to change their lifestyles. "They weren't thinking about what they were eating, or exercise," she says. "They were just popping a prescribed pill every day."

Three years ago, Corbett, then 49, began attending nutrition seminars to learn more about how better eating habits might affect "state of mind and emotional health," she says.



DRINK YOUR VEGGIES Salúd's offerings include thick green-juice blends, fruit smoothies, and wheatgrass shots.

A mother of three, Corbett had become a therapist after relocating to support a career move for her husband, a petroleum geologist and part-time pastor. But she had an entrepreneurial track record, having previously run an eclectic series of small businesses, from a maid service to an interior-design firm. And she had noticed the growth of diet- and detox-oriented juice shops elsewhere in the U.S.

So after chatting with a smoothie-loving friend, Corbett paid \$1,200 for a small industrial juicer; the duo spent several days in her kitchen

testing recipes. In October 2013, they opened a fresh cold-press juice joint, Salúd Juicery, on the main drag of Sewickley, Pa.—the upscale Pittsburgh suburb where Corbett's (now part-time) therapy practice is based.

One key change from therapy: At the shop, client contact is someone else's job. "I enjoy the customers, but if I'm at the store too much, I'm not doing my

job—making sure we have the product and dealing with food costs and payroll," which take up 66% of her budget, says Corbett, who bought out her partner last fall. Prices for Salúd's juices and smoothies range from \$4 to \$9; the shop also sells muesli and acai berry bowls, and other treats.

The juicery was one of the first in the Pittsburgh area, and sales took off quickly. After the first shop hit capacity, Corbett opened a second space. Projected revenue for the two locations this year: \$600,000. ■

BY THE NUMBERS

\$90,000

LAUNCH COST Corbett tapped savings but not retirement funds for the initial investment, which went to fix up the 1,200-square-foot space and buy inventory and supplies. The biggest outlay: \$30,000 on equipment. Opening the second location cost around \$120,000.

Six

MONTHS TILL PROFIT The juicery's customers arrived quickly; soon more than 100 customers a day were shelling out an average of \$9 apiece on their purchases, pushing the store into the black. Corbett moved quickly to open her second location across town.

2x

EXPECTED PAY BUMP

Corbett currently pays herself a salary of \$20,000—reinvesting the rest of the profits—but plans to double her Salúd pay in 2016. She boosts her income with an additional \$18,000 a year from the scaled-back therapy practice. Her family doesn't rely on her pay for the mortgage or her kids' college bills.



STARTUP

DON'T QUIT YOUR DAY JOB ... YET

Many people fantasize about starting a business, but don't be hasty: Among smaller startups less than a year old, only 38% of founders are able to live on what they earn from the business, Gallup research finds. Still, it's not easy to start a business while employed elsewhere. Some tips:

KNOW WHAT YOU'VE SIGNED

Remember that paperwork HR gave you when you started? Dig up those files and make sure none prevent you from moonlighting or launching a business within a certain period. And get legal advice if you're unsure.

MAKE THE MOST OF DOWNTIME

At the time Cincinnati entrepreneur Bill Fish co-founded an online marketing company, he was traveling heavily for his job and had time in the evenings to work on his startup. "I was away from my fiancée and didn't have anything else to do," he says.

SOCK AWAY WHAT YOU EARN

Making money on top of your salary? Fish recommends banking all of it. By living on their salaries, he and his partner could reinvest cash in their startup. His advice: "Prepare not to take a single dime out of the business for 12 months." —ELAINE POFELDT

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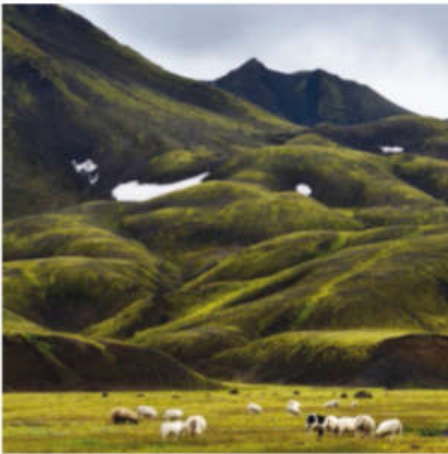
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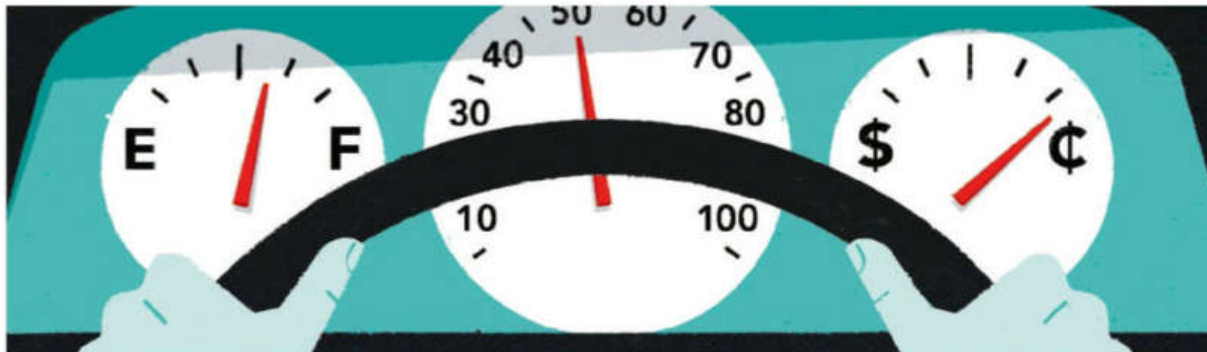
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Drive Down Your Car Costs

USE THESE TIPS TO SAVE THOUSANDS OF DOLLARS—ON GAS, INSURANCE, AND MAINTENANCE—OVER THE LIFETIME OF YOUR VEHICLE. *by Kerri Anne Renzulli*

AFTER A HOME, a car is the largest purchase most consumers make. But the costs don't stop when you drive off the dealer's lot: Insurance, gas, and maintenance add up to roughly \$8,700 a year, AAA finds.

You don't really need to shell out that much, though. Trim your outlay with these strategies:

SAVE ON FUEL

The average U.S. worker aged 20 to 54 drives 15,000 miles a year, spending \$1,441 using a recent average of \$2.69 per gallon. How to save:

➡ **Take it down a notch.** Speeding, rapid acceleration, and hard braking are the quickest ways to waste gas. Aggressive driving can lower gas mileage by 33% at highway speeds and 5% in town, according to Oak Ridge National Laboratory.

Savings: 13¢ to 89¢ a gallon, for up to \$477 a year, depending on your usual driving style.

➡ **Tap an app.** Find the lowest gas price in your area by using the

GasBuddy app or website, says Philip Reed of Edmunds.com—"but don't drive out of your way to save. Instead, look for the cheapest station along your commute."

Savings: In downtown Minneapolis, for instance, the 30¢-per-gallon difference among five nearby gas stations would yield \$161 a year.

SAVE ON INSURANCE

To cut down on the average \$1,100 a year that U.S. drivers pay for car insurance, try these moves:

➡ **Cut your coverage.** Once your vehicle is 10 years old or worth less than 10 times the premium, repair costs could be more than the car is worth, says Reed.

Savings: Up to \$440 a year by ditching collision for just injury and property-damage coverage.

➡ **Take your insurer for a spin.** Many insurers now offer a discount if you install a device that lets them monitor your driving. Progressive, for example, gives discounts of up to 30% for drivers

who display no alarming habits.

Savings: Up to \$330 for prudent drivers.

SAVE ON REPAIRS/MAINTENANCE

Engine technology has gotten more sophisticated, but experts say an ordinary driver can still cut the cost of upkeep.

➡ **Get your hands dirty.** You can replace wiper blades, fuses, and lights by yourself. "These are easy to do, and you can watch how-to videos to learn," says Rich White, executive director of Car Care Council. (CarCareKiosk.com has a selection.) You can rotate your own tires, too, to decrease wear.

Savings: Replacing your own wipers could save up to \$70 in labor costs once or twice a year, says Reed. Changing your own lights and fuses could net \$17 to \$132, and rotating your tires could yield \$120 annually, Edmunds.com found. **M**

For more savings strategies, go to money.us/23-car-tips.

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The Price of Applying Early

IT CAN GIVE YOU AN EDGE IN GETTING INTO COLLEGE BUT MIGHT ALSO AFFECT FINANCIAL AID. *by Kaitlin Mulhere*

YOU KNOW THE adage about the early bird and the worm. It holds true in college admissions too. Applying early can boost your odds of acceptance by up to 30 percentage points, roughly the same as scoring 100 points higher on the SAT, according to research by Harvard professor Christopher Avery, co-author of *The Early Admissions Game*.

But while an early application might make it easier to get into college, it could also make it harder to pay the bill.

There are two main ways to apply early: early decision (ED) and early action (EA). With ED, which is considered a binding contract if you're accepted, you apply to just one college, usually in November. You'll get a yes or no sometime in December, a couple of weeks before the regular admissions deadlines.

EA, which isn't binding, lets you apply to multiple schools. You'll hear back in January or February but don't have to commit until later in the spring.

EA won't have much impact on your acceptance or aid prospects, but it might make sense if you can't bear the tension of waiting to hear. So the more important question is

whether it makes sense to apply ED. Here are some guidelines.

APPLY EARLY IF ...

➔ **You're pretty sure you'll qualify for ample financial aid.**

One problem with early decision is that your aid offer could come months after your acceptance letter. If the aid package doesn't meet your needs, you can be released from the contract. But

that could leave you scrambling to apply to other colleges.

For an estimate, use the net price calculator on the college's website. Your actual aid could swing a couple of thousand dollars in either direction, says Kathy Ruby, director of financial aid at College Coach, an advising service.

Some colleges will provide more definitive estimates for students considering ED, says Chris Hooker-Harris, dean of admissions and financial aid at Muhlenberg College in Pennsylvania. So it's worth asking.

➔ **Money is no object.** If you can afford your dream school regardless of aid, go for it. Early decision might improve your chances, although probably not by 30 percentage points except at certain elite private colleges. At most schools, the difference is closer to 10 percentage points.

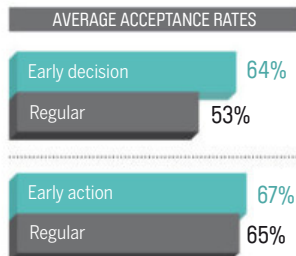
BUT WAIT IF ...

➔ **You'd be happy at any of several schools.** Applying ED means you'll lose the opportunity to compare aid offers from different schools or to use an offer from one as a bargaining chip with the others. "If the primary driver of the decision is 'Who is going to make me the best deal?', then early decision may not be the best route," Hooker-Harris says.

➔ **You want more merit money.** If you're hoping for merit aid, you could be better off waiting. Some colleges hold back a portion of their merit aid until spring to use as an extra incentive for students who are still undecided. ■

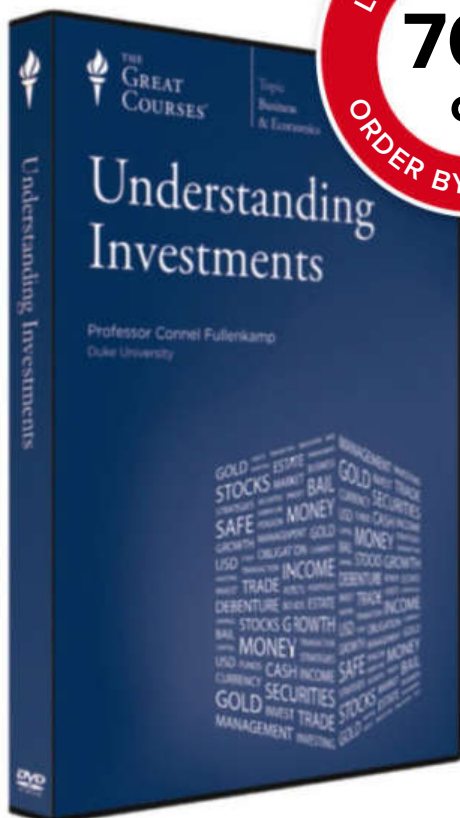
Early Advantage

Many colleges now offer early decision or action. Here's how the odds compare with regular admission at each type of school.



NOTE: Data are for fall 2013. SOURCE: 2014 State of College Admission survey from the National Association for College Admission Counseling

For more advice on applying to college, visit the new **MONEY College Planner** at money.com/colleges.



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Reel in the Right Job

YOU CAN LAND WORK IN RETIREMENT AND STILL FEEL RETIRED. HERE'S HOW TO MANAGE IT. *by Donna Rosato*

JUST BECAUSE YOU RETIRE doesn't mean you have to stop working. In fact, if you want to earn a paycheck after finishing up your career, you've got company: Two-thirds of workers 50 and older say their ideal retirement includes part-time work, according to a Merrill Lynch Age Wave survey.

No wonder. Working in retirement can keep you connected with a social network, give you new challenges to tackle, and—oh, yes—earn you some dough. Even a small salary may be enough to delay taking Social Security, and for each year after age 62 that you can hold off collecting you'll

get a bump in monthly benefits.

The trick is finding the right work. You want something that's rewarding but not draining. You want to keep busy, but you also want a flexible schedule—part-time work or short-term projects. In other words, you want a retirement that still has room for fun.

So where is the work that fits the bill? Try these avenues:

DRAW ON YOUR EXPERTISE

To stay in your longtime field, parlay your experience into a consulting gig. A natural starting point is your preretirement employer, says Nancy Collamer, a career coach and the author of *Second-Act Careers*. Still on the job? About six months before you'd like to retire, talk to your manager about picking up part-time work or focusing on special projects.

Should that company not be an option, the easiest way to land work is to have someone else do it for you. You're more in demand than you might think. "Baby boomers are flying out the door," says Jennifer Spicher, a vice president at staffing firm Kelly Services. "Clients are clamoring for solutions to retain experienced workers."

Kelly, for one, places older workers in what are usually two- to three-month assignments; skills most in demand are in finance, accounting, marketing, and engineering. Other organizations connecting veteran professionals with temporary and part-time jobs include Patina Solutions, YourEncore, and RetiredBrains.

Part of what makes you attractive to companies is what makes this work attractive to you: no expectations of a long-term

commitment. Pay typically is near the hourly equivalent of a staff salary, minus the benefits. A chemist, for example, could make between \$95 to \$125 an hour, says Christopher Peck, a vice president at YourEncore, which specializes in science and technology jobs.

Other staffing organizations target nonprofits. ReServe, for one, matches professionals 55-plus in 10 cities with part-time work. To find similar operations, go to encore.org/encore-network/member-list. Be prepared for a lower-than-corporate pay scale, though.

INDULGE YOUR PASSIONS

Now might be the time to build on interests that have little to do with your prior career. One fertile area

is specialized retail: Are you an oenophile? Work at a wine store. A golf nut? Go to the pro shop. The pay may not be great, but hours are usually flexible, and you have the chance to share your enthusiasm with customers.

Finding such work isn't as easy as dropping a résumé at a national chain, warns Blake Nations, CEO of the newly launched Over50JobBoard.com. Start with a few local stores, beginning with the places you frequent already, and talk to the manager in person.

If you love the outdoors and travel, visit job site CoolWorks.com's Older and Bolder section, which lists retiree-friendly temporary jobs at national parks, lodges, and resorts. Wineries, museums, and historical sites also offer seasonal jobs as tour guides. Pay is generally \$8 to \$20 an hour.

GET PERSONAL

To really leave the office behind, try your hand at personal services. Maybe you don't want to own a pet but you'd like to have one part-time. At Fetch! Pet Care, a national pet-sitting and dog-walking chain, you can earn 50% of what clients pay. Care.com and SitterCity aggregate pet sitting, babysitting, and tutoring gigs. At those sites you create a profile, include your desired work schedule, and get matched with jobs. Pay ranges from \$10 to \$20 an hour.

Seniors are even becoming part of the sharing economy. In July, AARP announced a partnership with ride-sharing service Uber to recruit older drivers. Uber reports that about 25% of drivers, who make about \$20 an hour on average, are over 50. 

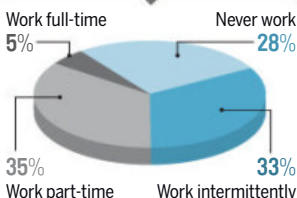
Longer Years, Easier Schedules

People are staying in the workforce longer. But at retirement age, they want to dial back.

SHARE OF PEOPLE 65+ IN THE WORKFORCE



PREFERRED RETIREMENT WORK STATUS



NOTES: Workforce figures include employed workers and people actively seeking work. Preferred work status is among pre-retirees 50 and older; numbers add up to 101% because of rounding. SOURCES: Bureau of Labor Statistics, Merrill Lynch Age Wave 2014



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Social Security's Magic Number

WHEN YOU TURN 66, YOU'LL RECEIVE SOME SPECIAL BIRTHDAY SURPRISES WELL WORTH WAITING FOR.



by Philip Moeller

YOU PROBABLY KNOW you get a bump in monthly Social Security income for each year you delay benefits between ages 62 and 70.

What you may not be aware of: all the goodies you can get on one birthday in that stretch—your 66th, which Social Security defines for now as “full retirement age” (FRA).

If you turn 66 anytime from now through 2020, reaching full retirement age will trigger some little-known but valuable perks. (Starting in 2021, FRA will rise two months every year until stopping at 67 in 2026.) Here are the financial extras:

CASH NOW, A RAISE LATER

Married? One way to squeeze some more money out of Social Security is for one of you to file for benefits based on your spouse's work record, *not* your own. Say you're the one to make the claim on your partner's record. While you're receiving your checks, the money you're due based on your own employment grows each month that you delay collecting—

as much as 32% over four years.

The catch: Social Security lets you use this strategy only after you've reached full retirement age. If you apply before 66, Social Security activates all the benefits you're entitled to and pays you the largest of them, roughly speaking. You don't get to defer your own retirement benefit and let it grow. So the difference in payoff between

filing at age 65 and at age 66 can be significant, and that difference in income will grow the longer you live. (See the chart below.)

EVEN MORE MONEY

A related tactic—again, available only upon full retirement age—lets your spouse collect income while your own benefits grow. The tactic is to “file and suspend” your Social Security payout. By filing, you enable your partner to claim on your record, as already discussed. By suspending, you defer payment of your own benefits, which will rise each month you wait—again, up to a maximum of 32%. If you file before 66, however, you can't suspend, and your benefit won't grow.

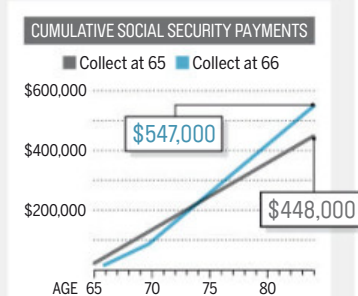
A BREAK ON INCOME

A third upside of hitting full retirement age is that you—and any family members receiving benefits based on your work—are no longer subject to Social Security's earnings test. That test trims your monthly check if your work income exceeds a certain amount (adjusted annually). In 2015, if you're 65 or younger you lose \$1 in benefits for every \$2 you earn over \$15,720; if you turn 66 this year, it's \$1 for every \$3 you earn over \$41,880 before the month of your birthday.

If you've lost money to the earnings test, you'll get it back, in most cases, in the form of bigger checks once you reach FRA. (A spouse or child getting money on your record usually won't have lost benefits restored.) That's a birthday present that keeps on giving. **M**

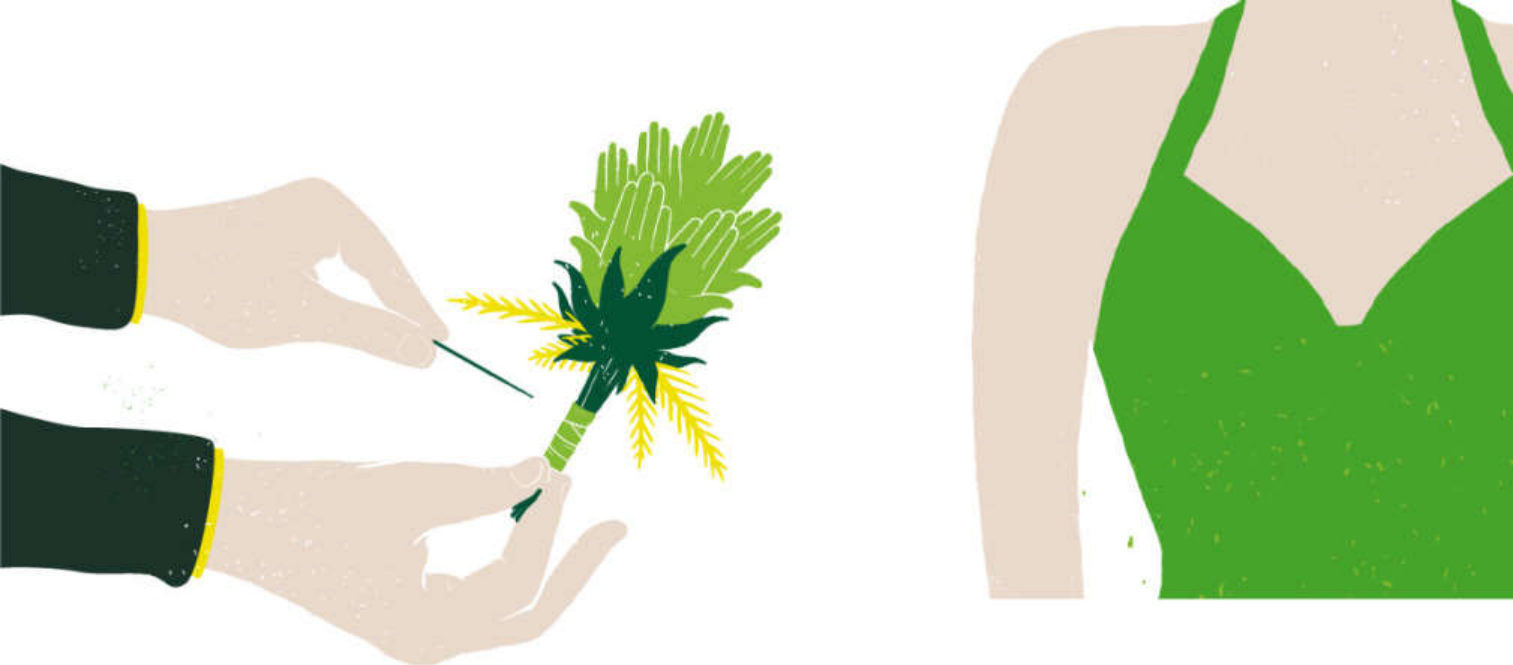
One Year's Impact

At age 66, you can claim spousal benefits and let payments on your earnings record grow until 70. Filing at 65 locks you in.



NOTES: Illustration assumes worker's monthly benefit at full retirement age is \$2,000; spouse's is \$3,000. Worker retiring at 66 receives spousal benefit for four years, then own benefit. SOURCE: Philip Moeller

Philip Moeller, a research fellow at the Center on Aging & Work at Boston College, is co-author of Get What's Yours: The Secrets to Maxing Out Your Social Security.



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Request a prospectus or summary prospectus; each includes investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing. The principal value of the Retirement Funds is not guaranteed at any time, including at or after the target date, which is the approximate year an investor plans to retire (assumed to be age 65) and likely stop making new investments in the fund. If an investor plans to retire significantly earlier or later than age 65, the funds may not be an appropriate investment even if the investor is retiring on or near the target date. The funds' allocations among a broad range of underlying T. Rowe Price stock and bond funds will change over time. The funds emphasize potential capital appreciation during the early phases of retirement asset accumulation, balance the need for appreciation with the need for income as retirement approaches, and focus on supporting an income stream over a long-term postretirement withdrawal horizon. The funds are not designed for a lump-sum redemption at the target date and do not guarantee a particular level of income. The funds maintain a substantial allocation to equities both prior to and after the target date, which can result in greater volatility over shorter time horizons.*Based on cumulative total return, 34 of 36 (94%), 36 of 36, 36 of 36, and 20 of 20 of the Retirement Funds (including all share classes) outperformed their Lipper average for the 1-, 3-, 5-, and 10-year periods ended 6/30/15, respectively. Not all funds outperformed for all periods. (Source for data: Lipper Inc.)

Invest



Keep Calm Amid Panic

RATTLED BY THE STOCK MARKET'S
SUMMER SLIDE? TAKE THESE STEPS TO
KEEP YOUR COOL. *by* Paul J. Lim

IF THE LATE SUMMER stock market swoon proved anything, it's that panic selling comes back to people easily, just like riding a bike. Staying calm when the market takes a spill? That requires practice, as was evident in late August when Wall Street suffered its biggest skid in four years.

This is the closest investors have come to bear-market territory since the summer of 2011, when the S&P 500 fell nearly 20%. Prompted by a slowdown in China and other economic troubles around the world, this selloff has been modest, so far, by historical standards (see the accompa-

nying charts). By early September the S&P 500 had lost only about half as much as it did in the 2011 correction. But the bull market is now 6½ years old—2½ years older than average—and there's lingering fear that a bear is long overdue.

Is this the end of one of the longest rallies ever? Does a recession lurk around the corner? Answers to these and other questions should give you peace of mind—and help you make the right investment moves now:

IS A BEAR MARKET IN THE WORKS?

It sure felt like that in early September, after the Dow shed more than 2,000 points. But most market analysts think the U.S. economy still has enough momentum to get past this global economic speed bump.

For instance, U.S. gross domestic product accelerated in the spring to an above-average rate of 3.7%. And for the past year the economy has created a brisk 247,000 new jobs a month on average. "There are no signs a recession is imminent," says Edward Jones investment strategist Kate Warne. That's important, since a growing economy reduces the odds of a bear—or at least a grisly one.

YOUR BEST MOVES

➡ **Strengthen your defense.** Even though the economy is still expanding, companies are having trouble growing profits. S&P 500 earnings, in fact, are expected to shrink in the third quarter. That's bad news, since corporate earnings drive the market over the long run, says Scott Clemons, managing director at Brown Brothers Harriman. Put new money to work in health care and consumer companies that don't require strong GDP growth to

generate profits, says James Stack, president of InvesTech Research.

Vanguard Windsor II (VWNFX), with a bigger-than-average stake in such defensive areas, has beaten 70% of its peers over the past 15 years.

➡ **Think valuation, not volatility.**

In rocky times, investors prefer reliable earnings over fast growth. But low-volatility Steady Eddies now trade at a 10% premium to the market. Go instead with a fund that seeks undervalued stocks. **T. Rowe Price Value (TRVLX)**, with holdings 20% cheaper than the S&P 500, has beaten the market by nearly four percentage points a year for the past 15 years.

IS IT TOO LATE TO SELL?

You may be tempted to lighten up on equities to protect against further declines. But it's not that simple. Many stocks are already in their own private bear markets, including a third of the Dow. To sell them now would lock in sizable losses.

Meanwhile, you risk missing a rebound if you sell a broad market fund. Over the past quarter-century, only two out of the nine market selloffs of 10% or more morphed into real bears, formally defined as a decline of at least 20%. The seven that didn't averaged losses of 16%, nearly what you've already endured.

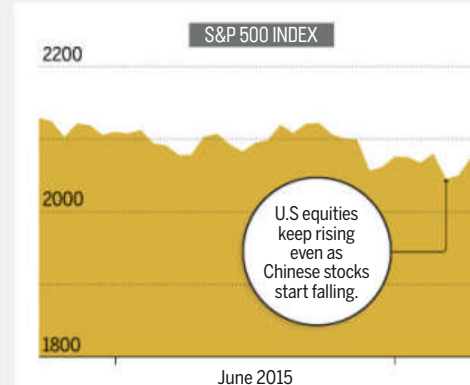
YOUR BEST MOVE

➡ **Make your portfolio less taxing.**

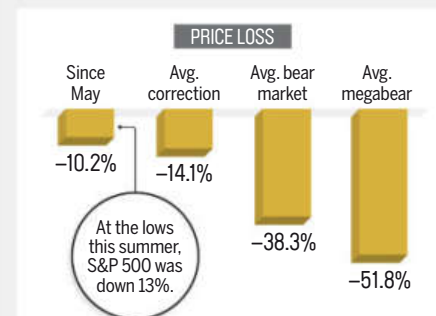
One type of selling that does make sense is the kind that helps mitigate the tax bite on your bull market gains. By selling investments that are down, you'll realize losses that can be used to offset capital gains in your portfolio. But don't upend your long-term strategy in the process.

In fact, you can use such a sale to

While the late summer sell-off



...it's been relatively modest so far...

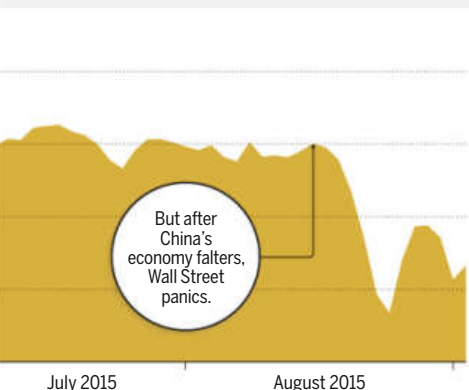


NOTES: Price/earnings ratios based on 10 years of averaged profits. Correction and bear market data are since 1929. Correction is loss of 10% to 19.9%; bear market is loss of 20% or more; megabear is loss of 40% or more. SOURCES: YCharts, Standard & Poor's, Robert Shiller

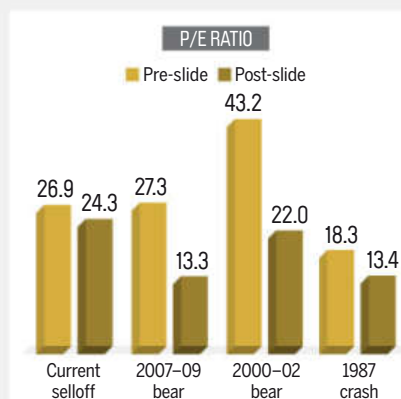
give your portfolio a makeover, says Christine Benz, Morningstar's director of personal finance. Sell a higher-fee fund that's down to get the tax loss, then buy a lower-cost fund in the same category.

For example, you could sell Longleaf Partners International, down 21% over the past year, and buy **Vanguard Total International Stock Index (VGTSX)**, cutting your expenses from 1.25% to 0.22%. Since the funds aren't substantially the same, you won't trigger the wash-sale rule that would disqualify your tax loss.

f has been scary...



...and hasn't yet resulted in attractive bargains.



IS IT TOO EARLY TO BUY?

For the most part, yes. The summer slide cut the S&P 500's P/E ratio from 26.9 to 24.3, based on 10 years of normalized profits. But U.S. stocks are still more expensive than the historical average P/E of 16.6. "We have a ways to go to get back to a healthy state," says New York City financial planner Lewis Altfest.

Also, it's probably too early to replenish your equities by rebalancing, which people generally do about once a year. A portfolio that was 60% stocks and 40% bonds at

the start of the year is now at 59/41. Adjusting isn't worth the effort.

YOUR BEST MOVES

➔ **Cross the Atlantic.** While it may be too early to value hunt in the U.S., that's not true in Europe, says Altfest. European stock valuations tend to be near ours. But European equities are now 25% cheaper. And while U.S. earnings are expected to be flat in 2015, European profits are forecast to grow 10% this year and 9% in 2016. **Oakmark International** (OAKIX), in our MONEY 50 recommended list, keeps more than 70% of its assets in Europe and has beaten 95% of foreign blue-chip funds over the past 15 years.

➔ **Try the developing world.** If you're patient, add emerging-market stocks, which are at the epicenter of this crisis. Chris Brightman, chief investment officer for Research Affiliates, sees a possible replay of the 1998 Asian crisis, when economic troubles devalued the region's currencies. "Everybody decided international diversification, particularly in the emerging markets, was the wrong move," he says. Yet over the next decade developing markets trounced U.S. shares.

One way to invest is via **T. Rowe Price Emerging Markets Stock** (PRMSX), a MONEY 50 fund holding less than 10% in sectors tied to commodities, which have been hardest hit by the global slow-down. In contrast, nearly a quarter of the MSCI Emerging Market index is held in energy, materials, and industrial stocks.

SHOULDN'T RETIREES AND PRE-RETIREEES BE WORRIED?

"What's going on in the headlines is probably not what's going on in

“**WHAT'S GOING ON IN THE HEADLINES IS PROBABLY NOT WHAT'S GOING ON IN YOUR PORTFOLIO.**”

—STUART RITTER, T. ROWE PRICE

your portfolio,” says Stuart Ritter, a financial planner with T. Rowe Price. He notes that if you're in or near retirement, you may have only 60% of your nest egg in equities—very likely down minimally, as mentioned before.

YOUR BEST MOVES

➔ **Change your thinking, not your portfolio.** Imagine that your 30-year retirement is two separate 15-year blocks, says Ritter. Tell yourself that your stocks are in the second block; you'll have plenty of time to recover your losses.

➔ **Satisfy the urge.** The natural inclination in a selloff is to, well, sell. Feed your need to do something by raising your savings rate to compensate for your losses. If you're not sure you can swing this, just do it while the selloff lasts, says Morningstar's Benz.

History shows that downturns, thankfully, don't last all that long. The average correction runs for only 138 days, while the typical bear market survives less than 18 months. Think of it as short-term pain that will help get your long-term gains back on track. **M**



When Indexing Loses Its Way

EVEN PASSIVELY MANAGED FUNDS CAN FALL INTO TRAPS LIKE, AMONG OTHER THINGS, LOOKING BACKWARD.



by *John Waggoner*

TRY HARD ENOUGH and you can always make a good thing worse. Case in point: index funds, which are nearly universally regarded as a sensible way to invest. By getting rid of the manager and mirroring a benchmark, these funds reduce costs—a huge long-term advantage for investors. No wonder folks have poured more than \$1 trillion into stock index funds since 2009 even as they've been dumping their actively managed portfolios.

If you're trying to make money selling funds, though, indexing's

advantages are less clear. Fees for the giant Vanguard Total Stock Market ETF are just 0.05%. Rivals could charge more for similar offerings but risk pricing themselves out of the market. Instead, many revert to similar behavior that mars active management.

SMALLER FOCUS, BIGGER FEES

Some firms, for instance, are launching index funds that track not the broad market, but a razor-thin slice of it. Take **U.S. Global Jets ETF** (JETS), which owns airline stocks, or **Market Vectors Agribusiness** (MOO), or **PowerShares Dynamic Food & Beverage** (PBJ). These strategies aren't exactly time-tested, though their tickers are

certainly inventive. And, like highly specialized actively managed funds, many come with steeper costs. JETS, MOO, and PBJ charge annual fees of around 0.60%. That's about 12 times as high as expenses for Vanguard Total Stock Market ETF.

REARVIEW INVESTING

Another strategy is to build a fund around a new index. **ALPS Emerging Sector Dividend Dogs ETF** (EDDG) buys high-yielding stocks in the developing markets based on the S-Network Emerging Sector Dividend Dogs Index. That benchmark was first published in January 2014; the fund was launched just two months later.

Such a speedy turnaround is not uncommon, says Joel Dickson, senior investment strategist at Vanguard. A recent study showed that 60% of new ETFs tracked an index less than six months old.

What's wrong with that? Well, it leads to performance chasing, since few firms would elect to launch ETFs based on an index that had done poorly recently.

Yet isn't that rearview investing? And isn't it precisely what active funds are criticized for? A surge in one sector is often a sign the area has been red-hot and is ready to fall (as biotech funds showed in the recent market slide).

Ultimately, if you're a long-term investor who believes in buy-and-hold and diversification, stick with broad-based funds like **Vanguard Total Stock Market** (VTI). Odds are good you'll clobber most actively managed funds—and most actively marketed narrow-cast indexes—in the long run. ■

Columnist John Waggoner is the author of three books on Wall Street and investing.

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Municipal Bonds Offer Three Big Advantages.

Advantage #1: The potential safety of principal.

If you're a prudent investor in need of investment income, you don't want to gamble with your precious nest egg. If you're nearing retirement or are already retired, you want to do everything you can to make sure your investments can support your retirement. That's why our free Bond Guide makes "must" reading.

Advantage #2: The potential for regular, predictable income.

When you invest in municipal bonds, you typically get interest payments every six months unless they get called or default. Because default rates for the investment-grade-rated bonds favored by Hennion & Walsh are historically low (according to Moody's 2012 research,*) you can enjoy a regular income stream in retirement. Please note that if a bond is called, any bond you may buy in the future with the proceeds, may earn more or less than the original called bond.

Advantage #3: The potential for tax-free income.

Good news! Income from municipal bonds is NOT subject to federal income tax and, depending on where you live, may also be exempt from state and local taxes.

About Hennion & Walsh

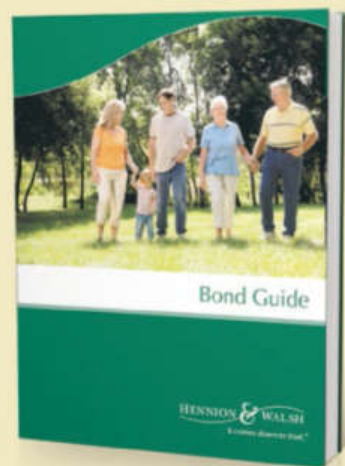
Since 1990, Hennion & Walsh has specialized in investment grade tax-free municipal bonds. The company supervises over \$2 billion in assets in over 15,000 accounts and provides individual investors with institutional quality service and personal attention.



Dear Investor,

We urge you to call and get your free Bond Guide. Having tax-free municipal bonds as part of your portfolio can help get your investments back on track and put you on a path to achieving your investment goals. Getting your no-obligation guide could be the smartest investment decision you'll make.

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Here's just some of what you'll learn . . .

Why municipal bonds may deserve a place in your portfolio. (Page 1)

Why insured bonds often provide an extra degree of security. (Page 2)

Why municipal bonds can potentially provide safety of principal. (Page 3)

How municipal bonds can potentially provide tax-free income. (Page 3)

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and **ETHAN**
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WHAT TO DO WITH

\$1,000 NOW!

INVESTING

Buy a Bit of the Future

Picking individual stocks is hard, but it can be engaging to put a modest bet on businesses trying something genuinely new.

ONE SHARE OF GOOGLE (GOOG) AT \$615 It will soon rename itself Alphabet to show that it's two businesses in one: the core Google operation and another that invests in wild "moon shot" ideas like driverless cars.

THREE SHARES OF CVS HEALTH (CVS) AT \$102 It stopped selling cigarettes in its stores to bolster its credibility in a promising growth business, managing prescription plans.

LEAN IN TO MARKET RISK. A LITTLE

As famed investor Warren Buffett says, you ought to be fearful when others are greedy, but greedy when others are fearful. In this anxious market, investors with a little cash to risk

could put some in an area that has been especially beaten up. Funds that hold small "value" companies—stocks investors aren't usually willing to pay high prices for—are down 7.7% over the past year, worse than any other broad U.S.

stock category. But an index of such stocks earned an annualized 8.6% over the past 15 years, compared with 3.9% for blue chips. The **Vanguard Small-Cap Value ETF (VBR)** is a good way to add a small-cap value stake.

BEGIN WITH A SMART PORTFOLIO *If you've just started saving, the recent market volatility may make you nervous about taking the next big step into investing. But for those with decades until retirement, stock drops can be good news, since you buy in at a lower price. And you can build a diversified IRA portfolio with as little as \$1,000—or less. Online adviser Wealthfront will put you into a mix of stock and bond index funds with razor-thin fees. You can start with \$500, and Wealthfront charges nothing for its advice until you hit \$10,000. (Above that, it's 0.25% of assets.)*

HEALTH

Freshen Up Your Diet

Buy a share of vegetables from local farms through a community-supported agriculture program, or CSA. In season, you pick up produce delivered to your neighborhood every week. "Farmers can plant things that aren't hearty enough to transfer across the country," says Paula Lukats of nonprofit Just Food (justfood.org). The novelty alone can make eating your veggies more fun. You'll pay about \$550 for a season; with what's left over, many farms offer fruit or meat options. Find a CSA in your area at LocalHarvest.org.



START EACH DAY RIGHT ...

By getting a good night's sleep. Nix glowing phones and tablets, says National Sleep Foundation expert Natalie Dautovich, and make sure your room is dark, quiet, and cool. Fabric blackout shades from TheShadeStore.com run \$340 for two standard windows. Mask bothersome sounds with the \$50 Marpac Dohm (marpac.com), which generates white noise. To stay cool, be sure to have breathable cotton sheets, about \$150 (don't sweat the thread counts). That leaves about \$250 for good pillows and \$200 for a memory-foam mattress topper.

PROF STYLING BY MEGUMI EMOTO; ANIMALS PROVIDED BY ALL CREATURES GREAT AND SMALL

WHAT \$1,000 COULD HAVE BOUGHT YOU IN ... 1903: A herd of 10 cattle (\$45,500 today) or the raw materials the Wright Brothers used to build their first plane.



HELP EMPLOYERS AND MENTORS SEE YOU IN A BETTER LIGHT

BUDGET FOR SIX \$50 NETWORKING LUNCHES Take connections to a nice meal, not a noisy coffee shop.

"It shows you care about their time when you pick a restaurant with waitresses and cloth napkins," says career consultant Maggie Mistal.

ABOUT \$700 FOR A BUSINESS WRITING OR SPEECH COURSE It may pay off more than those hot coding classes. Recruiters tell the Graduate Management Admission Council that the top skills MBAs need are oral communication, listening, and writing.

CAREERS

+ UPDATE YOUR WORK WARDROBE

Offices continue to get more casual, which makes keeping up a sharp professional look challenging. Amy Wazer of ClosetSpace, a website and app that help you create a personalized look, offers this plan for \$1,000:

WOMEN

HANDBAG: \$200 TO \$300

Go for one with a classic shape and room for a laptop, like a Michael Kors small leather satchel.

DRESS: \$300 TO \$400

A Diane von Furstenberg silk dress goes from day to night.

SHOES: \$100 TO \$150

Pointed-toe booties work with pants or a dress.

JACKET: \$100 TO \$200

Calvin Klein's peplum faux-leather jacket is a creative twist on an old standby.

ACCESSORY: \$50 TO \$100

Splurge on stylish reading glasses, like \$68 Corinne McCormack Sydney glasses.

MEN

JACKET: \$500 TO \$600

Boxy is out. Go for slimmer shoulders, like those in a wool blazer from Club Monaco.

PANTS \$200 TO \$300 Lose the wide-leg pant for a few pairs that are streamlined but not skinny, like Bonobos' \$98 "Weekday Warriors" straight-leg cotton pants.

SHOES: \$100 TO \$200 Cambridge chukka boot, Cole Haan.

+ GET A JUMP ON AN MBA

Via sites like Coursera, top universities let you try free, noncredit versions of their courses. Now the University of Illinois is delivering a real MBA via Coursera. It's not free, but for about \$1,000 anyone can take a fully graded course in topics including accounting and digital marketing. If you like it and decide to apply to (and get into) the online MBA program, the class counts toward your degree.

1915: A Studebaker Four (about \$25,000 today for a midsize family sedan) or a whole year in Paris, according to a newspaper article by Ernest Hemingway.

TECH AND HOME

Get an Instant Smart Home—No Wiring Required

KEEN SMART VENTS These replace your existing central heating and AC wall vents. Via Wi-Fi, they communicate with one another to open and close to help keep your home at the perfect temperature and save on energy. **\$450 for five vents**

AMAZON ECHO Replace the radio in your kitchen with a Bluetooth sound system that doubles as a voice-activated personal assistant to help you start the busy day. (Think Amazon's answer to Apple's Siri.) From across the room, you can check your calendar and to-do list; ask for weather, news, and sports updates; and control and play Internet radio and music. **\$180**



•SENGLED PULSE JBL BLUE-TOOTH LIGHTBULBS In other rooms, add inconspicuous speakers anywhere you have a light fixture—and still get light. You can stream tunes from your smartphone and also use an app to control the light dimmer. Since the lights are long-lasting LEDs, they should last up to 20 years. **\$150**



NEST CAM Keep an eye on your home without breaking the bank. The Nest Cam streams high-quality video to your tablet, smartphone, or computer while you're away, and it sets up in minutes. It also features motion sensors and night vision. **\$200**

TOTAL COST: \$980



Reboot the Laptop

A 13-inch MacBook Air is \$1,000, but for \$300 less, the Asus Zenbook UX305FA has twice the storage and less weight. With the savings, upgrade your network with the easy-to-use Google OnHub Wi-Fi router (\$200) and Seagate's wireless mobile hard drive for backup (\$100).

LAUNCH A NEW ENTERPRISE

Thinking of starting a business or a side gig? Set up a professional home office without a big-biz price tag.

WORK-READY FURNITURE The Tempur-Pedic 9000 chair (\$300) has a memory-foam cushion and a mesh back with good lumbar support. But standing is even healthier, so Ikea's Bekant sit-stand desk (\$500) converts to give you both options.

ESSENTIAL GEAR A Brother wireless laser printer (\$100) pulls triple duty because it also copies and scans.

PLANNING

Clear Up Your Money To-Do List

ESTATE PLAN For \$1,000, expect to get a will, a power of attorney, and an advanced medical directive, says estate attorney Bill Sanderson.

RETIREMENT CHECKUP Book a few sessions with a planner who charges by the hour to learn if you are saving enough to retire when you want to.

Finish That Big Project

Maybe you have a business plan to write or a big proposal for work. Carve out time by getting help with routine home chores, from picking up dry cleaning to hanging shelves. The website TaskRabbit connects you with helpers charging \$15 to \$35 an hour, so \$1,000 frees up the equivalent of three to eight workdays.

TO GIVE BETTER THIS YEAR, START BY GIVING RIGHT NOW

Looking to make a difference with your cash? Plan a gift before the holiday season, suggests Katherina Rosqueta of the Center for High Impact Philanthropy. In 2014 almost a third of charitable contributions were made in December, and 12% were made in the last three days of the year, according to Network for Good. Giving earlier means your good intentions don't get lost in the holiday rush. Plus you have time to learn more about which charities use your money effectively. Research nonprofits at CharityNavigator.org, Guidestar.org, and GiveWell.org.

WHAT \$1,000 COULD HAVE BOUGHT YOU IN ... 1957: A year's tuition at Harvard (\$45,278 today). 1962: "32 Campbell's Soup Cans" by Andy Warhol (in 2006, a

SPENDING

REFRESH YOUR COMMUTE

Since 2000, as cities have added paths and lanes, bike commuting has grown 62%, says the League of American Bicyclists. Join in and you'll spend less on gas and get a pleasant workout to boot. For most commuters, Patrick Croasdaile with Western Bikeworks suggests this gear: **RIDE:** The eight-speed Bianchi Milano, \$530, has enough gears for all but the hilliest commutes. Add a pump, a spare tire, and tools for \$40 and a lock for \$35. **SAFETY:** The \$80 Giro Sutton helmet's brim pays when it rains. See and be seen with the \$50 PDW Spaceship 3/Radboot 500 light set. **WEAR:** Pick up merino-wool gloves, about \$30, for cold days, a Banjo Brothers Metro Backpack (\$65), and the \$175 Showers Pass Rogue Hoodie, which you can wear off-bike "and not look goofy," says Croasdaile.



GET YOUR CULTURE ON

Plan ahead with a season subscription for live theater or music and you're more likely to actually go out. Many cost less than \$1,000 for two, so you'll have cash for dinner too.

CHICAGO A pair of Friday-night subscriptions to the Steppenwolf Theatre will run \$530 for five plays.

LOS ANGELES Two orchestra seats for the L.A. Philharmonic's Green Umbrella new music series are \$530.

WASHINGTON, D.C. At the Kennedy Center, you can put together a seven-show season of dance that includes the Alvin Ailey Dance Theater and the American Ballet Theater for about \$825.

Get Luxe for Less

For years the boom in China drove up the cost of luxury goods. Now that China's growth is slowing, prices are heading down too. This is especially the case for diamonds, which have also suffered from a product glut. "You see a lot of supply coming on the market, and global consumers aren't as motivated to buy," says David Binder, chief financial officer at Blue Nile, an online retailer. Blue Nile's recent price for two 0.36 carat diamonds with gold settings for stud earrings: \$1,025, down 33% from \$1,529 in 2014.



BEGIN A WINE COLLECTION

Food & Wine executive wine editor Ray Isle recommends five affordable bottles worth aging. **RED:** A 2012 Vietti Pinot Noir (\$25), a 2012 Château d'Aiguille (\$25), and a 2010 Marqués de Murrieta Rioja Reserva (\$26). **WHITE:** A 2014 Jim Barry the Lodge Hill Riesling (\$18) and a 2012 Dupé Marsanne (\$20). You can buy four of each to sample in different years as they mature for \$456. A wine cooler that stores 32 bottles, so you have room for more everyday wines too, will cost you about \$500.

TRAVEL

RECHARGE WITH A QUICK GETAWAY

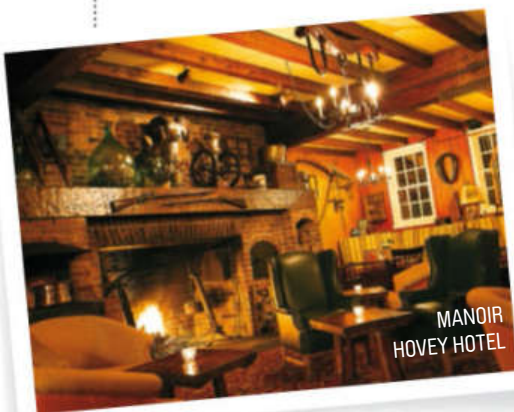
QUEBEC With the American dollar up 20% over the Canadian dollar, your money goes far, says Ellison Poe of Poe Travel. For \$235 U.S. a night for a deluxe room, she recom-

mends a long weekend at the Manoir Hovey hotel on a lake in North Hatley. With autumn and winter coming? Sure—just curl up by the fire.

WINE COUNTRY Skip Napa for a weekend in up-and-coming Paso Robles on California's

Central Coast, says Didi Johnson of Camelback Odyssey Travel. Let a driver with UberWINE take you to the wineries, starting at \$35 an hour.

SURPRISE! Watch Groupon.com/getaways, Jetsetter.com, LivingSocial.com/escapes, and ShermandTravel.com for semi-last-minute deals. Groupon recently advertised four nights in the Bahamas for \$499 a person.



Warhol can painting sold for \$11.6 million) or 125 shares of Berkshire Hathaway, a failing company Warren Buffett was beginning to acquire (\$24.5 million today).

SOURCES: USDA, The Wright Brothers by David McCullough, Saturday Evening Post, Toronto Star, Harvard Crimson, Museum of Modern Art, Berkshire Beyond Buffett by Lawrence Cunningham



WHAT
TO DO
WITH

\$10,000 NOW!

TRAVEL

TAKE A VACATION THAT CHANGES YOUR LIFE

Psychologists have found that paying for an experience, such as travel, is more rewarding than spending on things. One reason: The experiences shape your life's story. With \$10,000 you can take a trip that shifts your worldview or gives you new skills. Two examples:

WALK OFF THE BEATEN PATH

The tiny Himalayan nation of Bhutan is hard to get to, so it's not crowded with tourists. A walking tour to see its ancient monasteries and unique way of life: \$7,845 for single occupancy including airfare to and from Thailand from ClassicJourneys.com. Add \$1,000 to \$2,000 to get to Bangkok.

MASTER THE ART OF COOKING

The prestigious Culinary Institute of America offers five-day "boot camps" in California, upstate New York, and Texas. Go as a couple for \$2,200 each, plus hotels and airfare.



CAREERS

TEE UP YOUR SECOND ACT

Study to be a teacher. The licensure programs from Western Governors University combine online training with student teaching in an elementary, middle, or high school. Cost: \$12,140

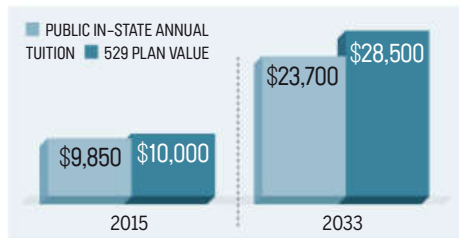
for two years, \$9,105 if you finish in 18 months. "It's a great solution for somebody who doesn't want to spend a lot of 'seat time' getting ready," says Kate Walsh of the National Council on Teacher Quality, a think tank that ranks training programs. Licensing rules vary by state.

WHAT \$10,000 COULD BUY IN ... 1919: A one-year contract for slugger Babe Ruth, in his last year with the Boston Red Sox (today Red Sox veteran David Ortiz

FAMILY MONEY

SEED A GRANDCHILD'S BRIGHT FUTURE

Setting aside \$10,000 for a newborn will cover just a year of public college tuition—but that's a welcome foundation for parents to build on. Use a 529 savings plan, such as the low-cost Utah Educational Savings Plan.



NOTES: Tuition and fees projection based on historical 5% annual growth; 529 plan value assumes 6% annualized investment returns.
SOURCES: SavingforCollege.com, MONEY calculations

HELP A CHILD GET A FOOT IN THE DOOR

Millennials have been slow to embrace homeownership. As long as your own planning is on track, pitch in. To lure first-time buyers, both Fannie Mae and Freddie Mac now allow as little as 3% down, with gifts from family okay. Unlike with similar FHA loans, mortgage insurance stops when their equity hits 20%.

KICK YOUR KID OUT OF THE BASEMENT

If your child hasn't even left your house, use \$10,000 to lure him out (in exchange for his setting up and sticking to a budget). A fresh-start stake based on average rents, debt, and car prices: \$2,800 for a month's rent and security deposit, \$4,000 on a (very) used car, and \$3,400 to wipe out credit card debt.

HOME



+ FALL IN LOVE WITH YOUR HOUSE AGAIN

For \$10,000 total, these three modest projects can drastically change how you feel about your home.

PUT ON A NEW FACE You can give kitchen cabinets new life with paint and more modern knobs. Or, says Jason Kyser, resident expert at home services website Pro.com, "you can order new doors and drawer covers from a cabinet-maker or doormaker." Refacing the average-size kitchen with wood veneer: \$6,000.

LET THERE BE MORE LIGHT Dark spaces are a common homeowner complaint, says Florida architect Bud Dietrich. Tubular skylights are ideal for small spaces such as bathrooms and hallways and are far more economical than full skylights. Four tubes, installed: \$2,000, solatube.com.

TIDY UP *The Life-Changing Magic of Tidying Up: The Japanese Art of Decluttering and Organizing* is a bestseller for good reason: People hate clutter. Spend \$1,000 on built-in organization systems in key spots: master closet, laundry room, and pantry. Then spend \$1,000 on a professional organizer (\$50 to \$150 an hour) to help you purge junk and tidy up what you're keeping.

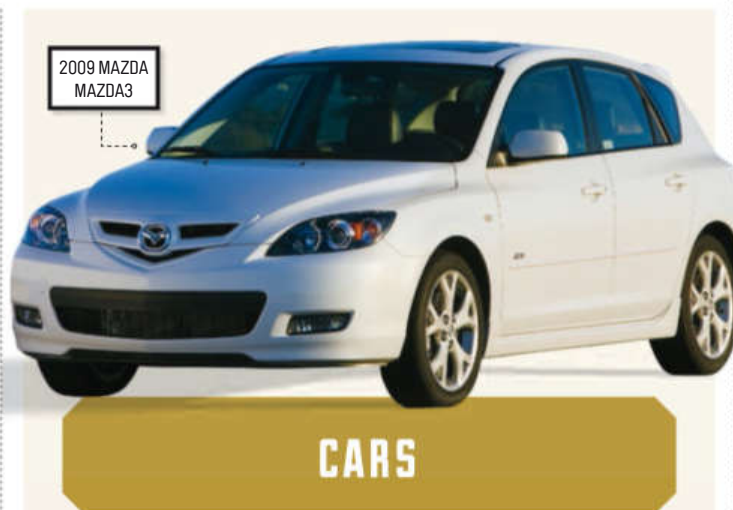
INVESTING

Plug Holes

With a sizable six-figure portfolio, you may need to shift 10 grand to rebalance right. Scott Donaldson of Vanguard's investment strategy group suggests targeting these areas:

TIPS Young investors can use stocks to stay ahead of inflation. Near or in retirement, making inflation-adjusted TIPS bonds 5% to 10% of your total portfolio is a safer move.

FOREIGN STOCKS Overseas stocks are hurting even more than U.S. shares, so they may be taking up less of your portfolio now. Aim to get back to 20% to 30% of your equity stake in a foreign stock fund.



CARS

Get Behind a New Old Wheel

If you're looking to spend \$10,000, you can pick up a quality used car that has a dash of style. A **2009 Mazda Mazda3** hatchback (above) is versatile like a station wagon but still fun to drive, says Jack R. Nerad of Kelley Blue Book, an automotive research firm. With its good fuel economy (24 mpg), the savings will keep rolling in. For a roomy sedan (front and back seats), check out a **2009 Toyota Avalon**, which has an EPA rating of 23 mpg—decent for a used model of this size.

earns \$16 million a year). 1983: The Lisa computer, Apple's first attempt at a PC with a graphical interface (\$199 for today's pocketable iPod Touch).



WHAT
TO DO
WITH

\$100,000 NOW!



CADILLAC
ATS

CHEVROLET
TAHOE LT

2010 HONDA
CIVIC

CARS

UPGRADE THE FAMILY FLEET *Why spend \$100,000 on one luxury car—or even one Tesla Model S—when everyone in the family can get a fresh set of wheels? Here's how Kelley Blue Book's Nerad would fill a three-car garage with that budget:*

UPGRADE THE MAIN RIDE

CADILLAC ATS (\$41,000): A luxury sedan that's a good value, sporting an up-to-date style that competes with imports.

HAUL THE WHOLE FAMILY

CHEVROLET TAHOE LT (\$47,000): An exceptionally roomy and comfortable SUV. With 18 mpg, the fuel economy is decent for a large SUV.

PUT TEENS IN A BORING- BUT-SAFE USED MODEL

2010 HONDA CIVIC (\$10,000): Strong crash ratings should make you feel better about giving teens keys to their own car.

CAREERS

+ LAUNCH YOUR DREAM

Having a hundred grand for a startup is sweet. "The average small business starts with less than \$10,000," says small-business expert Susan Solovic. The typical time to turn a profit is two years. With a fairly uncomplicated, low-overhead business like consulting, you can deploy your 100K like this while you wait: As much as \$5,000 for upfront legal help; \$12,000 for an accountant (over two years); the bulk of the rest for living expenses and a reserve for a 30- to 90-day gap between invoices and payments.

PLANNING

HOLD OUT FOR RICHER SOCIAL SECURITY

Worried you'll run out of money over a long life? Delay collecting Social Security for as long as you can. Say you'd get \$27,000 a year claiming at age 66. If instead you live off \$108,000 of savings until 70, your initial benefit jumps to nearly \$36,000.

TAKE ADVANTAGE OF LOW-COST HELP

This year Vanguard opened its Personal Advisor Services to investors with as little as \$50,000. You can work with a financial pro (by phone) for an unusually low 0.3% of assets a year. A heavy reliance on technology keeps costs down.

LEAVE A LEGACY WITH YOUR IRA

If you won't spend your entire IRA (average size: \$96,300), name a charity as the beneficiary. Your heirs would owe income taxes on withdrawals, but a charity gets all the money tax-free, notes estate-planning attorney Tracy Craig.

WHAT \$100,000 COULD HAVE BOUGHT YOU IN ... 1913: 500 acres of land in L.A. County (at least \$300 million today). 1938: A prop-driven Douglas DC-3 air-

FAMILY MONEY

Earn Your Degree

Don't think you can keep the four-year cost of college under \$100,000 without hefty financial aid? How about living at home to save? At these top urban campuses, total tuition and commuting costs come in under six figures. To search MONEY's full Best Colleges list, go to money.com/colleges.

COLLEGE (MONEY RANK)	% OF STUDENTS LIVING OFF CAMPUS	ESTIMATED COST OF DEGREE
UNIVERSITY OF CALIFORNIA AT BERKELEY (9)	74%	\$63,500
UNIVERSITY OF WASHINGTON, SEATTLE (56)	76%	\$76,500
BARUCH COLLEGE OF THE CITY UNIVERSITY OF NEW YORK (71)	100%	\$55,000
UNIVERSITY OF MINNESOTA, TWIN CITIES (193)	78%	\$82,000
UNIVERSITY OF TEXAS AT DALLAS (254)	74%	\$45,000
UNIVERSITY OF PITTSBURGH (268)	56%	\$92,000

NOTES: Estimated tuition, fees, books, and commuting costs, minus typical institutional grant, for average time to degree; adjusted for inflation. **SOURCES:** College Board, U.S. Department of Education, Peterson's, and MONEY calculations

HOME

+ GET IN ON TODAY'S RENTAL-MARKET BOOM

Median rents are up 4.2% over the past year, vs. a 3% gain for home prices. Want in? For the best mortgage rate as a landlord, real estate author Leonard Baron suggests putting 25% down. That's \$75,000 on a \$300,000 home, plus \$5,000 for closing costs. Hold back cash to spruce up the place (\$12,000) and cover costs when you're out a renter (\$8,000).

Three affordable cities where rents are growing fast.

CITY	MEDIAN MONTHLY RENT	GROWTH 2014-15	MEDIAN HOME PRICE
AUSTIN	\$1,692	5%	\$232,900
DENVER	\$1,931	13%	\$300,300
PORTLAND, ORE.	\$1,665	11%	\$291,900

NOTES: Medians for metro areas; 12-month growth through July. **SOURCE:** Zillow

OPEN YOUR HOUSE TO STRANGERS

An extra room is great for an older parent someday—or rent-paying tourists now (if you live in a vacation spot and can list on Airbnb). “Make sure it has a separate entry and feels like its own space,” says architect Dietrich. Figure \$150 to \$200 a square foot if you're remodeling or converting a basement or garage; \$200 to \$300 if adding on. For a 450-square-foot space, that's \$90,000, leaving \$10,000 to furnish it (don't skimp if you want vacationers).

liner. It flew coast to coast in under 18 hours, speedy for its day (\$116 million for a modern airliner). 1975: A Manhattan townhouse (\$5 million today).



Upgrade Your Bathroom on a Budget

(IT'S POSSIBLE.)

IF YOU'RE TRYING TO DECIDE whether redoing your bathroom is worth it, consider this: Remodeling this space rewards homeowners with a 64% return on investment, according to the National Association of the Remodeling Industry. A full floor-to-ceiling bathroom overhaul starts around \$30,000, but don't be discouraged: You only need a fraction of that and a little creativity to freshen things up. Consider these upgrades that won't break the bank.

1. NEW SHOWERHEAD

You don't need to hire a plumber to get a luxury shower. The Delta In2ition® + H2Okinetic® shower combination enhances an ordinary shower without altering the pipes. H2Okinetic Technology delivers water in a wave pattern so that the shower feels more drenching, even though it actually uses 40% less water than standard showerheads. The shower also feels warmer, thanks to the larger-than-average droplet size.

And because the In2ition two-in-one feature incorporates a hand shower and showerhead that can be used together or separately, you get water right where you need it. Budget bonus: A pause function conserves precious H₂O (and money) while you lather up (or soap up the dog).

2. ACCESSORIES

Give the space some personality. Replace your old toothbrush holder with a sleek stainless-steel version; swap a plain, droopy shower curtain for one that's crisp and colorful; buy new, fluffy towels. And there's no rule that says bathroom walls have to be bare: Hang framed DIY artwork (vacation photos, pressed flowers, or your kids' masterpieces) to add visual interest.

3. PAINT

The quickest way to transform a bath? Change the paint. A fresh coat on the walls or vanity cabinets is quick, easy, and, most importantly, cost-effective. White's an obvious choice, but consider a light shade of trendy gray. Remember to pick a glossy finish for

the bath: It's durable, wipe-able, and moisture-repellant.

4. LIGHTING

Standard cans are fine for the living room, but the shadows cast by overhead lighting aren't optimal in the bath. For smooth shaving and precision makeup techniques, you'll want light emanating from above and both sides of the mirror. Try wall sconces at eye level on either side of a vanity mirror, or a mirror with built-in lighting.

5. TILE

If the shower stall or backsplash looks dated, roll up your sleeves and install always-in-style subway tile. Traditional yet modern and very budget-friendly, standard white, 3-by-6-inch subway tiles with matching grout look clean and classic, though colorful and oversize versions can set your bath apart from the pack. Consider less maintenance-heavy gray grout for high-moisture areas.

About that "limited" budget: It's an asset, not an obstacle. Use it as a challenge to spend wisely ... and get creative. ●



You can't predict what they'll
get into out there, but you can in here.

TEMP₂O™ SHOWER TECHNOLOGY



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Take the guesswork out before they get in with Delta® Temp₂O Shower Technology. The water-powered LED display changes color based on your water temperature so you can be confident knowing your family will get the right, safe temperature every time. To learn more, visit deltafaucet.com/temp2o.







BY TAYLOR TEPPER

ILLUSTRATION BY CHARLES WILLIAMS

MAYBE YOU WANT TRAVEL REWARDS OR EASIER FINANCING
TERMS. HOW ABOUT HELP FOR YOUR SMALL BUSINESS OR
A STARTER CARD FOR YOUR COLLEGE STUDENT? AND WHO
DOESN'T WANT MORE CASH BACK? WHATEVER YOUR NEEDS,
MONEY AND NERDWALLET HAVE THE RIGHT CARD FOR YOU.



What's the best credit card now? There's not an easy answer. Cards come with such a dizzying array of rates, rewards, and fees that you could be forgiven for giving up and picking any decent offer that lands in the mailbox.

Take cash-back cards. Some promise a set percentage back on all purchases; others reward you at different rates depending on what you buy and where you buy it. And some change those categories every quarter. You've got to be a spending ninja to maximize your payoff.

But let's not pick on cash-back cards. Many other rewards programs are just as tricky, with byzantine rules that tend to change regularly. No wonder only three in five rewards cardholders understand—or think they know—how their cards work, a J.D. Power survey found. And almost 20% of cardholders didn't redeem any rewards last year, NerdWallet reports.

If you aren't taking full advantage of the cards in your wallet, though, you could be walking away from hundreds of dollars a year. "Lots of consumers are costing themselves money by not understanding what their credit card does," says NerdWallet credit card expert Sean McQuay.

Now is an especially good time to revisit your options. The introduction of Apple Pay—the company's new mobile payment system—has led to a big push by tech companies and financial institutions to promote digital wallets, which let consumers store (and use) card information on their phones.

So which cards should make your cut? Once again MONEY has teamed with NerdWallet, sifting through thousands of credit cards to identify 14 that are best in class. We've highlighted outstanding options in five categories—cards that offer cash back and travel rewards, specialized services for students and small businesses, and the best financing terms.

Most of our picks assume you are using cards strategically to maximize rewards, and paying off your bill each month to avoid fees and finance charges. (Most also require good credit—a score of roughly 700 or above.) Yet MONEY went one step further this year. At the top of each broad category is our "easy choice"—the best no-muss, no-fuss, no-annual-fee option. That's because while the benefits can be rich, maximizing rates and rewards is a lot of work—and not for everyone.

CASH BACK

EASY CHOICE

Citi Double Cash Card

APR: 0% on purchases and balance transfers for 15 months; 13% to 23% after that, depending on creditworthiness

ANNUAL FEE: \$0

REWARDS: 2% cash back on all purchases, with no limit

WHY IT'S A WINNER: Double Cash offers a top rewards rate for a flat-rate card, with no strings attached; you simply get 2% back on everything you buy. That adds up: If you spend \$2,000 a month, you'd earn nearly \$1,000 in two years.

Other bonuses: The card offers a 15-month 0% introductory APR and a waived late fee on your first missed payment. You also get your credit score (from Equifax) on each statement or your online account.

CAVEAT: You don't get the cash back all at once. You get 1% when you swipe and the other 1% after you pay your bill.

BEST FOR ONLINE SHOPPING

Discover It

APR: 0% on purchases and transfers for the first

12 months, then 11% to 23%

ANNUAL FEE: \$0

REWARDS:

► 5% cash back in categories that change every quarter, online and off, up to \$1,500 per quarter

► 1% back on all other purchases

► Extra cash back on purchases made via Discover's online portal

WHY IT'S A WINNER: Discover's online mall sets it apart from its cash-back rivals. The Discover Deals portal lets cardholders earn 5% to 20% in extra cash back from hundreds of retailers, including 5% at Home Depot, the Apple Store, and Walmart.

Meanwhile, the rotating 5% rebate categories—such as gas stations, restaurants, or specific retailers, like Amazon.com—apply on up to \$1,500 total spent quarterly. (Beyond that, you get 1% back.)

Other benefits include access to up to a year's worth of FICO scores. Plus, if you lose your card, you can freeze your account without canceling all your automatic payments.

CAVEAT: Discover is accepted less widely than Visa and MasterCard.

BEST FOR MAXIMIZERS

American Express Blue Cash Preferred

APR: 0% on purchases and balance transfers for 15 months; 13% to 22% thereafter

ANNUAL FEE: \$75

SIGN-UP BONUS: \$150 after spending \$1,000 in 90 days

REWARDS:

- ▶ 6% cash back on up to \$6,000 spent at super-markets annually; 1% cash back after that
- ▶ 3% at gas stations and certain department stores
- ▶ 1% everywhere else

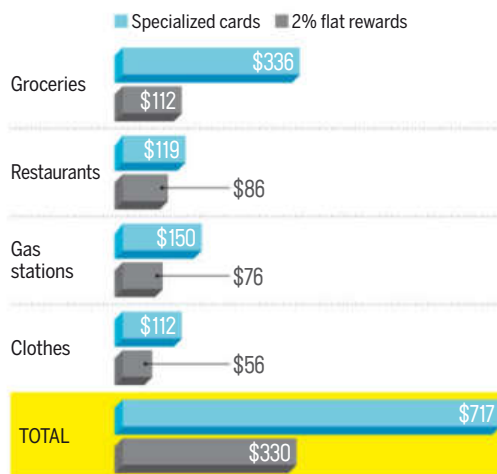
WHY IT'S A WINNER: It's tops among its peers for cash back on everyday purchases. Spend \$5,600 on groceries a year (what a typical family does out), and you earn \$336 annually. Another \$200 a month at the gas pump gets you \$70 a year; that alone will cover most of the annual fee.

Meanwhile, the card's sign-up bonus is lucrative and relatively easy to obtain. And the introductory 0% rate gives you some wiggle room if you need to make a big purchase.

CAVEAT: Grocery perks are for supermarkets only; specialty food shops and Costco don't count.

HOW MUCH COULD YOU EARN?

See the benefit for an average family using either a flat 2% cash-back card or a mix of specialized cards.



NOTE: Based on actual spending of U.S. households with an average income of \$112,000 before taxes. Specialized cards include the American Express Blue Cash Preferred, Citi Double Cash Card, and Discover It. **SOURCES:** BLS Consumer Expenditure Survey; MONEY calculations

BORROWING

EASY CHOICE

Digital Credit Union Visa Platinum

APR: 8.5% to 18%

ANNUAL FEE: \$0

BALANCE TRANSFER FEE: \$0

WHY IT'S A WINNER: For those who carry a balance, the DCU Visa Platinum minimizes the pain of revolving credit by offering a borrowing rate as low as 8.5%, compared with the average 18%. You'll also be able to transfer the debt from an old card without paying a penalty.

CAVEATS: To gain membership, you'll need to open a savings account with a minimum \$5 deposit and become a member of an affiliated nonprofit; the cheapest way is via a \$10 donation to Reach Out for Schools. Also note: The card offers few other bells and whistles—it's really just good if you carry a balance.

BEST FOR BALANCE TRANSFERS

Chase Slate

APR: 0% on purchases and balance transfers for the first 15 months; 13% to 23% thereafter

ANNUAL FEE: \$0

BALANCE TRANSFER FEE: \$0 if done in the first two months of signing up

WHY IT'S A WINNER: If you've got a game plan to pay off a big credit card burden, this card is the best destination for your old debt. The two most important perks: There's no balance transfer fee if you transfer a balance within two months of opening your account (the industry average is 2%), and you'll have 15 months (slightly above average) to pay off the debt before interest kicks in. There's also no annual fee and no "penalty APR"—a higher rate that would apply if you miss a payment. Plus this is the only Chase card offering a free FICO score.

CAVEAT: Make sure you pay off your debt by the end of the introductory period, when the APR could rise to an unsavory 23%.

BEST FOR LARGE PURCHASES

Citi Simplicity

APR: 0% for purchases and transfers for 21 months; 13% to 23% thereafter

ANNUAL FEE: \$0

WHY IT'S A WINNER: Simplicity is ideal for someone looking to finance a large purchase. The introductory period with no finance charges is the best in the industry. Bonus: You won't be charged a fee or penalized with a higher rate if you're late with a payment.

CAVEAT: Simplicity charges a 3% fee for balance transfers (or \$5, whichever is greater), so the card doesn't make sense for that purpose.



TRAVEL

EASY CHOICE

Barclaycard Arrival World

APR: 16% to 24%

ANNUAL FEE: \$0

REWARDS:

- ▶ Two miles for every \$1 spent on travel and dining
- ▶ One mile for every \$1 spent on anything else
- ▶ A 5% bonus when redeeming miles for travel spending

SIGN-UP BONUS: 20,000 miles after spending \$1,000 in the first 90 days

WHY IT'S A WINNER: Cost-conscious cardholders who are modest spenders but want some travel rewards should look to this card. There's no annual fee, no foreign-transaction fees, and even a yearlong 0% APR period on balance transfers made within 45 days of opening the card. You'll earn solid rewards, including double miles for every dollar you spend on travel or at a restaurant; those miles will go even further when you redeem them for travel purchases.

CAVEAT: Earning miles on this card is tougher than with some of the other travel winners. If you expect to spend more than \$1,000 a month, this card's cousin—the Barclaycard Arrival Plus World Elite (see right)—will be worth the \$89 annual fee.

BEST FOR FREQUENT FLIERS (TIE)

Chase Sapphire Preferred

APR: 16% variable

ANNUAL FEE: \$0 the first year, then \$95

SIGN-UP BONUS: 40,000 points after spending \$4,000 in the first three months

REWARDS:

- ▶ Two points for every \$1 spent on travel and dining
- ▶ One point for every \$1 spent on anything else
- ▶ 5,000 points when you add an authorized user who makes a purchase within three months
- ▶ 20% off travel when redeeming points for airfare, hotel stays, car rentals, and cruises through Chase Ultimate Rewards

WHY IT'S A WINNER: Valuable points and integration with partner programs make Chase Sapphire Preferred the best choice for those who want the most travel flexibility.

You have a few options: You can redeem points against charges on your statement—getting 1¢ per mile—or get an extra 20% bonus if you use Chase's platform to buy travel. Or you can transfer points directly to Sapphire's travel partners: airlines (such as United and British Airways), hotels (Hyatt, Marriott), or trains (Amtrak). Those programs can be more generous or flexible,



letting you use points to pay for upgrades or book business-class tickets.

CAVEAT: Chase has upped the amount you must spend in the first three months to earn a sign-up bonus.

BEST FOR FREQUENT FLIERS (TIE)

Barclaycard Arrival Plus World Elite

APR: 16% to 20%

ANNUAL FEE: \$0 the first year, then \$89

SIGN-UP BONUS: 40,000 miles after spending \$3,000 in 90 days

REWARDS:

- ▶ Two miles for every \$1 spent

▶ A 5% bonus when redeeming miles for travel spending

WHY IT'S A WINNER: Like the Sapphire, this card offers top rewards without entangling you in an airline's loyalty program, but it allows big spenders to rack up miles more quickly. The sign-up bonus itself nets you \$420 worth of travel spending, but even after that first year you can recoup the annual fee with about \$750 in monthly spending.

Other benefits: There are no foreign-transaction fees, and you can get your credit score from TransUnion for free via the Barclaycard website.

CAVEAT: This card doesn't let you transfer miles to airline or hotel programs.

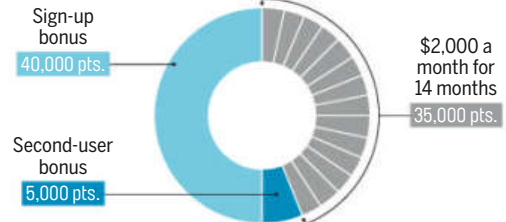


GET A FREE FLIGHT

Here's how you might earn a roundtrip ticket (worth \$1,000) from New York City to Paris.

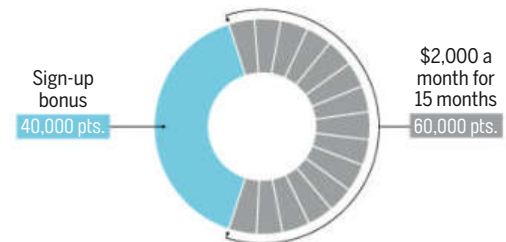
OPTION 1

Chase Sapphire Preferred
Points needed: 80,000



OPTION 2

Barclaycard Arrival Plus World Elite
Points needed: 100,000



NOTE: Assumes \$2,000 of spending each month, with one-quarter of that spent on dining and travel. To spend fewer points, Chase users must book through Chase Ultimate Rewards portal.

BEST FOR HOTEL AFICIONADOS

Starwood Preferred Guest

APR: 15% to 19%

ANNUAL FEE: \$0 the first year, then \$95

SIGN-UP BONUS: 25,000 points after spending \$3,000 in 90 days

REWARDS:

► Up to five points for every \$1

spent on Starwood hotels

► One point per \$1 for everything else

WHY IT'S A WINNER: When it comes to hotel rewards, not all points are created equal. Other programs may offer more points per purchase (as does Citi Hilton HHonors card) or a greater sign-up bonus (IHG Rewards Club Select)—but the quants at NerdWallet say a Starwood Preferred Guest point

is about five times as valuable as those offered by Hilton and more than three times as great as IHG's.

Why? Because these points go further. Starwood's are worth about 2.2¢ to 2.4¢ each when they're redeemed for hotel stays—far in excess of what you'll get through rival programs. You can also transfer points to about 30 frequent-flier programs; you'll

even get a 5,000-point bonus when you transfer 20,000.

And Starwood recently nixed its foreign-transaction fee, making overseas travel less costly.

CAVEAT: To reap the card's benefits, you'll have to stay in one of Starwood's 1,200 hotels. But the company's portfolio includes brands such as Westin, W, and the St. Regis, so it's hardly a sacrifice.



METHODOLOGY: MONEY decided the criteria to consider—including intro and regular APRs, sign-up bonuses, fees, and rewards—and then set parameters for what constituted a winner in each category (for example, lowest rate and no annual fee for student borrowing). NerdWallet plugged

those terms into its database and made several suggestions for each category; it disclosed to MONEY any issuers from which it receives compensation when people apply through its site. MONEY then independently fact-checked the results and made the final decisions.

SMALL BUSINESS

EASY CHOICE

Capital One Spark Cash Select for Business

APR: 0% on purchases for nine months; then 13% to 21%

ANNUAL FEE: \$0

SIGN-UP BONUS: \$200 after spending \$3,000

REWARDS: 1.5% cash back on all purchases

WHY IT'S A WINNER: For stable, successful small businesses, Spark is an all-around winner, with no annual fee and cash back on every dollar spent. If your firm's outlay is \$5,000 a month, for instance, you'll clear \$2,000 back in two years, factoring in the \$200 sign-up

bonus. Add employee cards for free to boost your rewards.

CAVEAT: If your business maintains revolving balances, find a card with a lower financing rate.

BEST FOR BORROWING

U.S. Bank Business Edge Platinum

APR: 0% on purchases and balance transfers for the first year; 10% to 18% after that

ANNUAL FEE: \$0

WHY IT'S A WINNER: The U.S. Bank Business Edge Platinum is ideal for bootstrapping start-ups, debt-carrying small enterprises, and other small-business owners for whom borrowing costs are paramount. It offers the lowest APR without incurring an annual fee. You also get a year's worth of runway to pay off big purchases or tide you over until cash flow picks up.

CAVEAT: With no rewards or sign-up bonus, this no-frills card is really only for businesses with ongoing debt.

STUDENTS

EASY CHOICE

Northwest FCU FirstCard

APR: 10%

ANNUAL FEE: \$0

BALANCE TRANSFER FEE: \$0

WHY IT'S A WINNER: Parents should love this card, designed to keep college students out of debt trouble. The modest \$1,000 credit limit and a low fixed APR of 10% limit potential damage.

Another plus: FirstCard has no annual, balance-transfer, or cash-advance fees.

CAVEATS: FirstCard pays no rewards. You will also need to make a one-time \$10 donation to the Financial Awareness Network.

And if you're using this card to boost your FICO score, you'll want to hold charges to about \$200 a month.

BEST FOR CASH BACK

Discover It Chrome for Students

APR: 0% for first six months, then 13% to 22%

ANNUAL FEE: \$0

REWARDS:


- ▶ 2% cash back on up to \$1,000 each quarter spent at gas stations and restaurants
- ▶ 1% on everything else

WHY IT'S A WINNER: As an entry-level rewards card, Discover It Chrome for Students mixes a modest rewards program

with friendly benefits for new cardholders. You'll earn \$20 cash back each school year if you have a GPA of 3.0 or higher.

There's also no annual fee, no fee for the first late payment, no interest for the first six months, and no foreign-transaction fees for those

studying (or even just traveling) abroad. You'll also have access to other Discover features, including a free FICO score and the ability to freeze your account if your card is lost.

CAVEAT: This is really just a starter card; other cash-back cards offer greater benefits. 

HOW YOUR CARD STACKS UP

Want to know whether your card is still a good deal? See how our top picks compare with the average card.

FEATURE	AVERAGE	TOPS ON MONEY LIST
APR	18%	8.5%
Balance transfer fee	2%	0%
Sign-up bonus for miles card	\$284	\$600
Sign-up bonus for cash-back card	\$114	\$150
Annual fee for rewards card	\$58	\$0
Late fee	\$34	\$0
0% APR balance-transfer period	14 MONTHS	21 MONTHS
0% APR period	13 MONTHS	21 MONTHS

SOURCES: NerdWallet, company data



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ONE FAMILY'S MONEY

ALL FOUR JONES BOYS HOPE TO PLAY BIG-TIME COLLEGE SOCCER. BUT IS THEIR SPORTING LIFE UNDERMINING THE FAMILY'S FINANCIAL FUTURE?

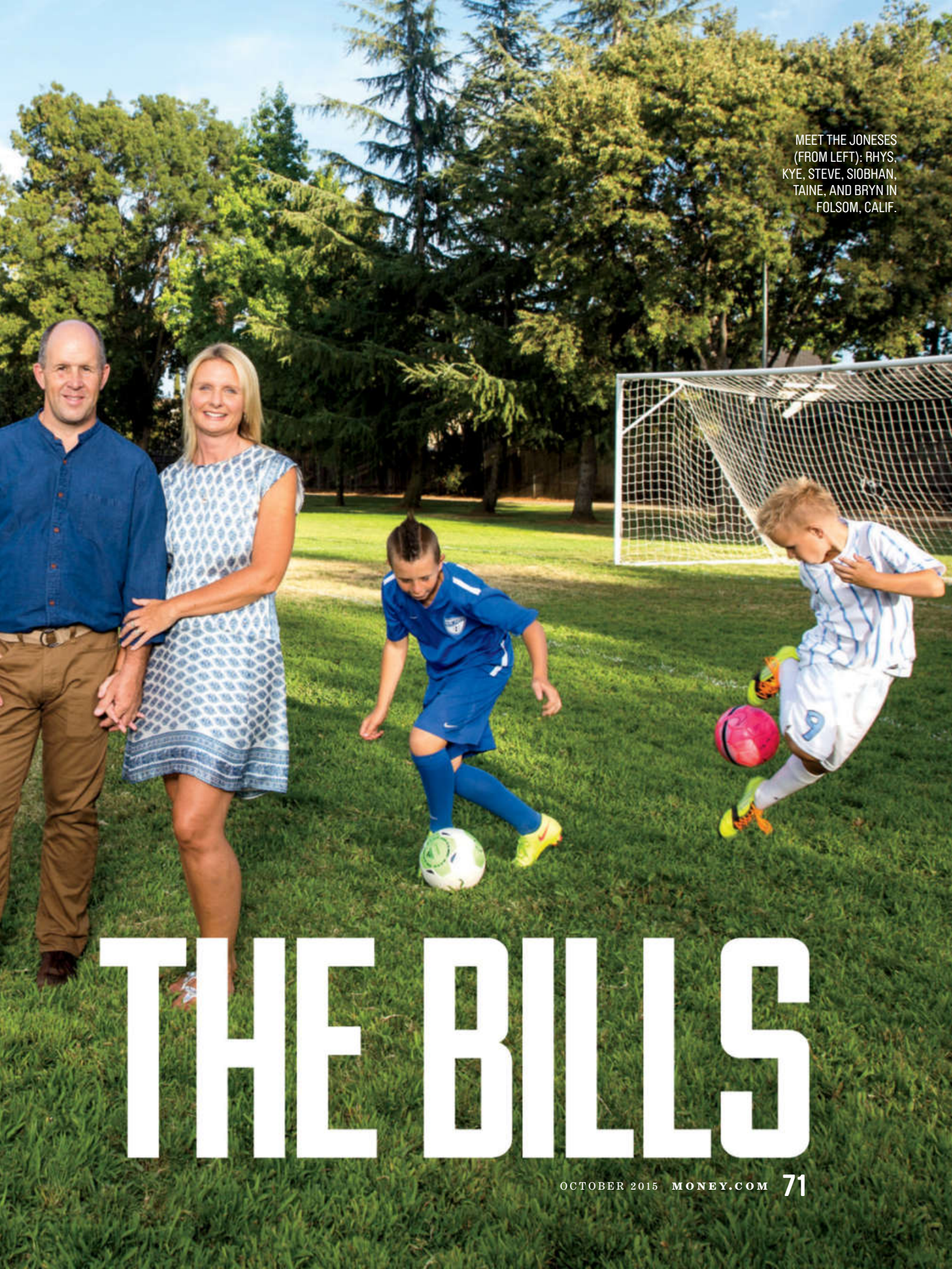
BY PAUL KEEGAN

—
PHOTOGRAPHS BY
ACKERMAN + GRUBER

FOOTING



MEET THE JONESES
(FROM LEFT): RHYS,
KYE, STEVE, SIOBHAN,
TAINÉ, AND BRYN IN
FOLSOM, CALIF.



THE BILLS

LIKE MOST PARENTS.

Steve and Siobhan Jones of Folsom, Calif., will do just about anything to support their children's passions. But the Joneses are the parents of four talented, soccer-crazed boys, which means that life can get a little bonkers.

Take a four-day weekend this summer. It starts at 5 a.m. on Friday when Steve, a 47-year-old senior network engineer at Intel, and his 14-year-old son, Rhys, set out in their rental car on a 10-hour drive

to San Diego for the latest big tournament. Before Rhys hits the field, Siobhan, 43, a part-time elementary school teacher, has piled her three younger boys—Kye, 13, Taine, 11, and Bryn, 9—into her 2009 Honda Pilot for their own tournament three hours away in Santa Cruz. They'll sleep in a rented Airstream trailer. (Left at home: the family's creaky minivan.)

On Saturday and Sunday, Siobhan scurries among the eight games played by Taine's and Bryn's individual teams. (Kye's team, mercifully, has the weekend off.) Meanwhile, Steve watches Rhys play three games, then drives the eight hours from San Diego to Santa Cruz, where all six jam into the Airstream's four sleeping berths. After a pit stop to ride the roller coasters on the Santa Cruz Beach Boardwalk, they get home Monday at midnight—exhausted, happy, and (after shelling out for lodging, car rental, gas, meals, and amusement park tickets) \$2,000 poorer.

And that's just one weekend. Unlike playing on the local parks and rec team, the Jones boys compete in the elite world of American soccer clubs. For kids at this level, soccer isn't just a game. It's their lives. Top young athletes play year-round and practice as often as a dozen times a week. There are specialized, private coaches and \$100 cleats. The playing, or club, fees alone run to \$675 a month. Last year, Steve and Siobhan (pronounced "Shih-VAWN") paid \$17,400 for soccer-related expenses, by far the biggest item in their budget after their mortgage. As much as they support their boys' dreams to play in college, the financial support required sometimes

gives them nightmares. "We're living in the moment, going month to month to make this work," says Steve. "We have no money or time to spend on anything else."

He is not exaggerating. Even with a healthy \$146,000 in combined annual income—most from Steve's \$126,000 Intel salary—the family barely makes ends meet. With all their expenses, they have managed to tuck away only \$9,500 for emergencies. Perhaps more ominous for their long-term financial health: They have saved just \$7,000 for college. That would be a major concern for many families; for the Joneses, who have four boys to educate, that is a ticking time bomb that's set to explode in 2022, when three of the kids are in college at the same time. "We do panic about that," says Siobhan.

The Joneses' situation may sound extreme, but the challenge of balancing the cost of athletics and academics is far from unusual. Some 21 million kids play under-17 competitive sports in the U.S., according to ESPN.com. All told, families spend about \$5 billion a year on sports organizations, an analysis by the *Columbus Dispatch* shows, and another \$7 billion on related travel, says a National Association of Sports Commissions study. Soccer in particular has boomed in popularity. The U.S. Youth Soccer Association is now the largest youth-sports organization in the country. In the Sacramento area alone, where the Joneses live, there are more than 42 competitive soccer clubs.

Clearly, Steve and Siobhan wouldn't have invested the considerable money and time if their boys didn't reap so much from their sport. "They get to mix with quality kids, they're doing something good for them, and they're learning life skills that will help them get on in the world," says Siobhan. Besides, their kids are talented and well-coached. "You don't quite realize how good they are until you see them play against kids at school—I'm like, 'Holy smokes!'" she says.

Yet this is where soccer plays a tricky role in the Joneses' lives. They sacrifice because their boys love it, but in the back of their minds they hope their investment will pay real dividends—in the form of college scholarships. "If Rhys plays national tournaments," says Steve, "maybe he'll catch the eye of recruiters." Rhys's coaches think he might well have the right stuff. "He is still young," says his coach Marcos Mercado,



OPENING SPREAD: WARDROBE STYLING BY KIERSTEN STEVENS; GROOMING BY INNA MATTHEWS
THIS PAGE: WARDROBE STYLING BY KIERSTEN STEVENS; GROOMING BY INNA MATTHEWS



"THEY'RE DOING SOMETHING GOOD FOR THEM AND LEARNING LIFE SKILLS," SAYS SIOBHAN. BELOW: A SOCCER-CLEAT MOUNTAIN

"but he has potential because he's so tenacious and hardworking."

The problem is that whatever Rhys's (and his brothers') talent, the odds are against them. Only about 2% of high school athletes receive sports scholarships each year, with a fraction getting full rides, says the NCAA. "Sending your kid to college is such an emotional and expensive process that misinformation spreads quickly among parents," says Matt Wheeler of SportsRecruits.com, which helps high schoolers connect to college coaches. "That 'scholarship' you heard about may be just fees and books."

With so much at stake, the Joneses know they have to get their house in order. They are about to begin. "With little safety net for emergencies and Rhys starting college in four years, they are in trouble," says Jeff Maas, a planner with Retirement Security Centers of Sacramento. "Something has to give."



THE JONES FAMILY'S

devotion to sports started with Steve, who was born in Wales but grew up playing soccer and rugby in England. He met Siobhan at a pub in Bath in 1998, when she was an elementary school teacher, and they were married on a beach in Sri Lanka two years later. In 2008 he was working in IT at Intel's Swindon office when he learned that a downsizing could cost him his job unless he took a similar position in California. The boys, ages 2 to 7, were sad to leave England but acclimated quickly when their

parents signed them up for recreational soccer.

When Rhys was 9, a coach asked him to try out for the



FUELING UP: TOURNAMENT WEEKENDS CAN START AS EARLY AS 5 A.M. ON FRIDAYS.

local El Dorado United Soccer Academy. “All the boys are athletic, but Rhys has the advantage of also being very clever,” says Steve. “He must take after his mother.” Steve was thrilled that his son made the team, with its professional coaches and extended playing season. But he was stunned by the first bill: The \$350 registration fee was more than an entire year of rec soccer, and the membership fee was another \$115 per month. “That’s when the costs really hit home,” he says. Soon Kye wanted to join the club, followed by Taine (Bryn was too young). The price tag soared to \$330 per month, plus \$1,050 in annual registration fees.

But how does a parent say no when his kids are clearly thriving? In their spacious backyard that’s home to two soccer nets, the Jones boys spend their rare free time drilling shots at one another, their booming kicks slicing through the air like drones on a mission. Most of the balls find the net, but a few bounce off the windows that, miraculously, have never been shattered.

The day after their four-day weekend, they’re still reliving their soccer marathon. Bryn and Taine are psyched because their teams won in the finals—Bryn was the winning goalie and Taine scored a goal in his team’s 6–0 victory on Sunday morning with a freakishly good move. “I couldn’t hit the ball with my foot or my head, so I kind of hit it with my hip and it went in,” he says with a smile as broad as,

“WE’RE GOING MONTH TO MONTH. WE HAVE NO MONEY OR TIME TO SPEND ON ANYTHING ELSE.”

—STEVE JONES

well, a soccer goal. On the other hand, Rhys is down because his team lost all three games. Kye is the most miserable of all because his team didn’t even play. “I really wanted to run out there,” Kye says.

Of the four, little Bryn is actually the biggest talker. He likes to be in charge. Taine has a wicked sense of

humor and is popular enough to have been named team captain. Kye is easygoing, able to shop with Mom for hours without complaint. He’s the only one who says he may not want to be a pro soccer player; he may want to play rugby (like his dad). Rhys believes he can do anything he puts his mind to.

If Steve ignited the boys’ love for sports, Siobhan is the keeper of the flame. She picks up her kids at three different schools and shuttles them to practices, plus volunteers 10 hours per week as manager of their soccer club, scheduling their games, among other things. She spent her 43rd birthday watching Taine and Bryn play those four games at the Santa Cruz tournament. She didn’t get a birthday dinner or even a cake, though Bryn’s team gave her a cookie and sang “Happy Birthday.” The best gift? “They both won!” she says.

STEVE AND SIOBHAN knew soccer was expensive, but they had never actually added up the numbers. At MONEY’s request, they dug out their receipts and made some sobering discoveries. They were fully aware of only about half of their out-of-pocket costs—the San Juan Soccer

Club's \$8,100-per-year team-membership fees that show up on their bank statements (\$675 a month) and the club's \$100-per-child annual tournament fees.

The rest surprised them. In the past year they had paid \$6,200 for travel to eight tournaments, including \$2,400 for restaurants and the rest for hotels, car rentals, and gas. Cleats and other gear cost \$1,200 a year, while the special ball-striking coach who gives all four boys private lessons runs \$30 a week (\$1,500 a year). "It's much more than I thought," says Steve. "It's the smaller stuff that goes out in dribs and drabs that really adds up." Adds up indeed. Once they've crunched the numbers, the Joneses realize that 17% of their after-tax income goes to soccer.

No wonder there has been so little left over for an emergency fund. When spending gets heavy, Steve often sells some of the \$15,000 in restricted stock units he receives from Intel each year. They've still got \$7,500 of this year's allotment, along with \$2,000 in their checking account. He also has \$42,000 in unvested stock and can sell off and net about \$1,000 per year via a discounted employee stock plan.

Bringing in more income would certainly help, but Siobhan's earning potential is hampered. Because her British teaching degree isn't valid here, she'd need to take some classes in order to get certified. "The idea of going back to school is daunting, spending thousands of dollars to be taught what I already know how to do," she says. Instead, she works part-time teaching computer skills at elementary schools, averaging about 10 hours a week at \$13 per hour. That brings in just \$4,000 a year but leaves her free to shuttle the boys.

The family also tries to be frugal. Siobhan polishes her own nails and cuts the boys' hair in whatever crazy style they're looking for. (They are all currently sporting mohawks.) The Joneses know they can't afford to replace their aging carpets, and they've begun to wonder where to find the money to replace their two old cars: Siobhan's

Honda and Steve's 2008 Town and Country minivan.

That said, they do have other resources, starting with the \$384,000 equity in their five-bedroom, 2,700-square-foot house. They bought it in 2008, when housing prices in the U.S. had already started to slide but just before England's housing bust hit. They sold their home in Britain at the height of the U.K. bubble for \$250,000 and bought their Folsom home during the U.S. slump for \$550,000 with a down payment of \$225,000. They opted for a 20-year mortgage with payments of \$2,000 a month to reduce debt. The house is valued today at \$642,000.

The Joneses also feel good about their retirement savings. They have \$216,000 in several accounts that include a profit-share retirement plan from Intel. The company contributes 5% of Steve's salary (\$6,500 a year). There's also a 401(k) plan in which Steve saves 4.5% of his salary (\$467 a month). In addition, at age 65, they will qualify for about \$14,500 a year from U.K. pensions.

It's what comes in the years before retirement that scares them. They are saving \$200 per month for college, putting it into a Roth IRA because they want access to their contributions in case of an emergency. But they know that's not enough. With Rhys now a freshman in high school and only \$7,000 set aside, Steve and Siobhan are worried about affording college, which will cost about \$31,000 a year at a state school by 2019 and as much as \$64,500 at private universities in the state. That translates to at least \$500,000 for the four boys—assuming they all go to public, in-state schools.

Which is why the idea of a soccer scholarship is irresistible. Rhys took a step in that direction earlier this year when he was accepted by the elite U.S. Soccer Development Academy team. A partnership between the San Juan Soccer Club of Folsom and the Sacramento Republic FC, a minor-league professional team, the squad is one of the finest in the region, attracting players

THE FAMILY BALANCE SHEET

After paying the bills every month, the Joneses have almost nothing left to put away for college. It's likely they'll have to tap the equity in their home.

INCOME	
Steve's salary and bonus	\$126,000
Sale of Intel stock	16,000
Siobhan teaching	3,950
TOTAL	\$145,950
EXPENSES	
Taxes (property, income)	\$45,000
Mortgage	24,000
Soccer expenses	17,400
Utilities (including phone, cable)	8,650
Groceries	8,500
Clothes, misc. home items, ATM	8,500
Entertainment, dining out, travel	8,300
Cars (fuel, maintenance)	7,300
Steve Intel 401(k) contributions	5,600
Medical (HSA, prescriptions)	5,300
Insurance (home, car, life)	5,000
College savings (Roth IRA)	2,400
TOTAL	\$145,950
ASSETS	
Home	\$642,000
Retirement accounts	216,000
Intel stock (\$42,000 unvested)	49,500
Cars	20,000
Roth IRA (college fund)	7,000
Checking account	2,000
TOTAL	\$936,500
LIABILITIES	
Home mortgage	\$258,000
TOTAL NET WORTH	\$678,500

NOTE: One-year figures



“SPORTS MAY ALSO BE AN IMPORTANT PIECE OF THE PUZZLE THAT HELPS [RHYS] GET INTO A GOOD SCHOOL,” SAYS PLANNER JILL YOSHIKAWA.

from as far away as Nevada. College coaches often scout teams at this level for prospects.

Rhys has more than soccer going for him. He was a straight-A student in middle school, and top grades can be a huge advantage for kids hoping to win an athletic scholarship. “Sports may also be an important piece of the puzzle that helps him get into a good school, where he might qualify for aid based on merit or financial need,” says Jill Yoshikawa of Sacramento’s Creative Marbles Consultancy, which helps families prepare for college admissions. But even for players on prestigious teams, substantial aid is a long shot. “College soccer teams can divide scholarship money among many players so you may get something, but it’s usually minimal,” Yoshikawa says.

The bottom line? The Joneses can’t count on athletic scholarships to solve their problems. But they *can* find a way to pay for all their boys’ educations. What they need, says financial planner Jeff Maas, is a smart battle plan.

THE ADVICE

The Joneses occupy an all-too-familiar no-man’s-land: They’re not saving enough for their children’s college careers yet they earn too much to qualify for need-based grants. But their situation may not be so dire, says Yoshikawa and our other advisers. Here are their recommendations.

■ **Get serious about college saving.** Steve and Siobhan first need a realistic idea of how much they’ll have to come up with for the boys’ education. The good news: Their potential out-of-pocket costs are not as onerous as they imagine, largely because financial aid formulas give a break to families when they have more than one child in college at the same time. The bad news: Even with that break, the Joneses are still woefully behind.



According to federal guidelines, their estimated family contribution (EFC)—the amount the Joneses are expected to pay—will be around \$26,000 a year when Rhys goes to college, but that amount will drop to \$13,000 per student when they have two children in college and \$8,700 when they have three. The \$7,000 they have socked away so far is just a drop in that educational bucket.

Saving in earnest to close the gap needs to begin now, Maas says. He recommends that Steve and Siobhan set up four separate 529 college savings plans, one for each boy. For starters, they should aim to contribute a total of \$1,000 a month, with \$300 going into Rhys’s account because he’s closest to enrollment, and roughly \$200 set aside for each of their younger sons (advice about how to free up that cash follows). With an estimated 6% return, the plans would provide an average of about \$11,000 per year of the \$31,000 cost of a state college.

■ **Hunt for academic grants (not just athletic ones).** Though they can’t count on athletic scholarships—no student athlete can—they may qualify for additional need-based California state grants once they have more than one kid in college at the same time (even more when they have three). Based on their grades, the boys may also qualify for nonsports merit aid, which can be preferable to athletic grants, says Paula Bishop, a college planning specialist in Bellevue, Wash. “Academic scholarships are given for four years while sports scholarships are often guaranteed only for the first year,” she explains.

HOW TO GET YOUR STUDENT-ATHLETE NOTICED BY COLLEGES

Think your child is good enough to play college sports and maybe get a scholarship? According to ScholarshipStats.com, a measly 1.9% of high school boys will play Division I-level sports (where much of the money is). Girls fare a little better at 2.3%. How do they make the cut? It's hard to generalize—the football drill is a lot different from recruiting backstrokers—but here are some tips:

BE HONEST ABOUT YOUR CHILD'S TALENT. Few kids are good enough to compete in D-1, so don't eliminate D-2 and D-3 schools; many have great sports and great academics. An unbiased assessment of your kid's talent by a high school coach will help narrow the search.

DON'T WAIT TO BE SCOUTED. "Most kids go to tournaments and showcases hop-

ing a coach from the school of their dreams will notice them," says Matt Wheeler of SportsRecruits.com. "That's not going to happen. Coaches already have a list of kids they want to look at." To get on that list, create a short highlight video, write a compelling profile (including grades), and send them to coaches. Start as early as your child's freshman year. That way, you'll know where things

stand by junior year with his or her top school choices.

HIT THE BOOKS. Athletes with good grades have a big edge. Great academics also allow a coach to recruit others with less-than-stellar grades (because your kid's high GPA helps bring up the recruiting class's average).

SEEK OUT "INFLUENCERS." It helps if your kid receives lessons from someone with college contacts. Influencers might also help your child get into an invitation-only college-recruiting camp. Another source: Enroll in a college sports camp, where you'll be able to work out with the coaches themselves. Some clinics last only a day and run \$100 or so. Others can last five days and cost close to a grand.

ings, the Joneses also need about \$35,000 in a liquid emergency fund to cover expenses for six months if Steve loses his job. They can get nearly halfway there by considering the \$7,000 Roth IRA, which they've earmarked for college, as part of their rainy-day fund, along with the \$9,500 they already have in reserve. The Roth isn't the best college savings vehicle, says Maas, because of its low annual contribution limit (\$5,500 per person), and because distributions count as income in federal aid formulas, reducing eligibility.

■ **Jog toward retirement, then sprint.** If Steve continues his current pace of saving for retirement until age 65—\$5,600 per year to his 401(k), plus Intel's contribution of

Though the sticker price on in-state public colleges is obviously less, Bishop says that Rhys and his brothers may have a better chance getting aid from private schools. That could result in a lower net price. These colleges often have more generous merit-aid budgets, especially for students who are in the top 25% of the applicant pool—so the Jones boys should keep up their grades and put those schools on their lists. (For help identifying colleges that provide the most merit aid and overall value, you can consult the MONEY College Planner, money.com/colleges.)

Meanwhile, once they're in high school, the boys should maximize their odds of finding athletic scholarships by getting on the radar screen of college coaches. Even a small stipend would be helpful, especially combined with other aid. (For tips on how to do this, see "How to Get Your Student-Athlete Noticed by Colleges," above.)

■ **Free up cash.** Tapping into their home equity will allow the Joneses to jump-start their college savings and also build up the emergency fund they so desperately need. Extending the terms of their mortgage from the 13 years they have left now to 20 years will reduce their monthly payment by \$500 yet still allow them to pay off the balance by the time Steve is 67. "They will pay more in interest over the life of the loan, but rates are still low, and they need the money now," says Maas. They can get the rest of the way there with judicious belt-tightening. One target: the \$2,400 a year that goes to eating out at Taco Bell.

■ **Prepare for trouble.** In addition to cash for college sav-

\$6,500—he and Siobhan would run out of money by age 83 (assuming a 6% return before retirement and 5% after as they invest more conservatively). Fortunately, when Steve is 60 and Siobhan is 56, they should be done paying for college. At that time, Maas suggests boosting Steve's 401(k) savings to the max (currently \$24,000 a year for investors age 50 and older), while Siobhan puts the same amount into a 403(b), assuming she gets her credentials to teach full-time by then. By the time Steve is 65, their nest egg should be \$1.75 million, not including pensions. With the refinanced mortgage paid off two years later, retirement plans plus Social Security should last to age 95.

WHAT DO THE JONESES think about overhauling their financial life? Steve and Siobhan say they are all for starting 529 accounts. They are hesitant to extend their mortgage and pay interest for seven more years—but then again, they are open to any solution that will help pay for college and make sure their soccer bills are covered. "We'll do anything that will keep the kids playing competitive soccer," says Siobhan, "and anything to help us sleep at night." ■

ALL INCLUSIVE

When it comes to traveling with the kids—and grandkids—it's hard to beat an all-inclusive resort for and value. Whether your family is looking to ski, swim, or saddle a horse, these five you'd need to keep your brood happy. And with deals up to 45% off the à la carte price, your





THE FAMILY

variety, convenience, destinations offer just about anything wallet will be smiling too.

By Bree Sposato

DUDE RANCH

Goosewing Ranch

NORTH OF JACKSON HOLE, WYO. goosewingranch.com



THE MAJESTIC ELK, sheep, and horses may start to feel like extended family after a few days at the 50-acre Goosewing Ranch. Nestled in the Gros Ventre River valley in the Grand Tetons, Goosewing is home to only 11 modernized log cabins that come complete with mini-fridges, wood-burning stoves, and spacious bathrooms. Horseback riding through wildflower meadows and mountain trails is the main pastime, but fishing, hatchet throwing, line dancing, and cookouts are full pard'ners in the Wild West adventure. Also, each cabin comes with an off-road vehicle for roaming the surrounding Bridger Teton National Forest.

FOR THE KIDS: Families can explore together or try the "kids wrangler," who leads juniors (6 and older) in riding, hiking, target shooting, and Native American arts and crafts. Want to get back to nature in a big way? Spend a night in Goosewing's family-size tepee.

MEALS: Hearty fare such as prime rib and pork chops, along with children's meals, served family style. The cherry

on top of every dish: No cellphone service out here means teens have to talk during dinner instead of text.

BOTTOM LINE: This cozy resort books up quickly, so reserve far in advance. From \$894 a night (June and September) to \$1,406 (July and August) for two adults and two children; reservations require a three-day stay. Price includes lodging, meals, all activities, and a one-hour massage. While Goosewing is the most expensive spot on our list—and has the smallest savings vs. à la carte pricing—Kara Slater, who specializes in family travel for SmartFlyer, says it is the best dude ranch for the money. **Not included:** A 22% fee that covers both taxes and gratuity.

MONEY-SAVING TIP: The ranch provides a kids wrangler only in July and August, but there's plenty for the little ones in the off-season, including most of the horse-related activities—and at 36% below peak prices. Also, groups of 15 or more receive a 3% discount, which can add up to a savings of \$700 for a three-night stay.

À la carte
PER FAMILY
PER DAY

FOOD

\$254

+

LODGING

\$540

+

RIDING

\$400

=

TOTAL COST

\$1,194

VS.

All-inclusive
PER FAMILY
PER DAY

TOTAL COST

\$894

SADDLED UP
AT WYOMING'S
GOOSEWING RANCH

NOTES ON COSTS: Rates are per day for a family of four and assume three full meals, two hotel rooms, and one activity (though the resorts offer many choices at no additional cost). Taxes and gratuities not included. **SOURCE:** TripAdvisor



OUTDOORSY FUN

Woodloch Resort

HAWLEY, PA. • woodloch.com

THE KIESEND AHL FAMILY has been running Woodloch, set on 1,000 acres on Lake Teedyuskung, for more than 50 years. It's got a delightfully old-fashioned vibe—the rooms, renovated in 2008, are done up in a traditional country style: pine dressers, leather armchairs, cheery floral drapes. This year the property was voted the No. 1 hotel for families in the U.S. as part of TripAdvisor's Travelers' Choice Awards, thanks in large part to its impressive range of activities: Waterskiing, biking, zip-lining, and river kayaking top the list in summer, with ice-skating, snow-tubing, snowshoeing, and more during the winter. Adults can also indulge in wine tasting, fly-fishing, and classes in mixology.

FOR THE KIDS: Woodloch offers babysitting (\$10/hour) but designs its activities for the entire family, and there are plenty, including a Wii center, a mini-golf course, go-carts, and bumper boats.

MEALS: Served family style with an emphasis on local food—"seed to fork," the Kieseendahls call it. Even the little ones are encouraged to eat wholesome fare with its Kids Eat Well at WL menu, featuring fruit instead of fries, veggie-infused pasta sauces, and more.

BOTTOM LINE: From \$140 per night for two adults and two

À la carte
PER FAMILY
PER DAY

FOOD

\$249

+

LODGING

\$520

+

ZIP-LINING

\$236

=

TOTAL COST

\$1,005

VS.

All-inclusive
PER FAMILY
PER DAY

TOTAL COST

\$609

children (November to early December, and February to April) to \$300 a night for two adults and two children (July to October). Includes all meals, most activities, and daily housekeeping. **Not included:** A 7.5% tax and 15% service charge and some activities, including wine tasting (\$20 per person) and fly-fishing (\$250).

MONEY-SAVING TIP: "Their rates are remarkably low if you can sneak off in November," says TripAdvisor's Wendy Perrin. The resort runs multiple promotions, including some in which kids under 13 stay free.

You can also save up to

40% if you book six months in advance. And Hawley is driving distance from New York City (2½ hours), Philadelphia (three hours), and Boston (four hours), so East Coasters can get there for the price of gas and road-trip snacks.





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FOR THE WHOLE FAMILY.



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PLAYA DEL CARMEN, MEXICO

melia.com

THIS RESORT ON the Riviera Maya oceanfront is family-friendly down to its skivvies. Kids get their own pint-size plush bathrobes, and the evening turnaround service comes not with a mint on the pillows but chocolate-chip cookies and a glass of milk. The beach obviously provides the big playroom for young and old, with activities ranging from beginner scuba diving to beach soccer. But there are plenty of indoor diversions as well, including spas for grown-ups and kids—for that must-have mini-manicure or styling. Lillian Avilés of the Journey Mexico tour company stayed here with her family and says the entertainment is also impressive. “Evening activities—such as live music with drummers—are exciting for all ages,” Avilés says. “And since the resort is close to downtown Playa del Carmen, adults can enjoy a date on charming Quinta Avenida without having to hire a babysitter—because it’s included.”

FOR THE KIDS: A “family concierge” can do anything from deliver baby gear to your room to book the kids’ day of activities. The hotel also provides walkie-talkies



THE SEA IS STUNNING,
BUT THE KIDS’ “SPA”
(BELOW) IS EVEN
MORE COLORFUL.



À la carte PER FAMILY PER DAY

FOOD

\$150

+

LODGING

\$326

+

SNORKELING

\$316

=

TOTAL COST

\$792

VS.

All-inclusive PER FAMILY PER DAY

TOTAL COST

\$502

to make it easy to keep track of your brood and a private room for family check-ins. There’s even a free, kid-friendly minibar, stocked with candy. (Keep your eyes on it, parents.)

MEALS: There are 14 restaurants, six for adults only. Also available: free room service. “Kids love ordering room service,” says Avilés.

BOTTOM LINE: From \$399 (May to December) to \$450 (January to

April) for a junior suite for two adults and two kids. Everything is included—liquor too.

MONEY-SAVING TIP: La Esmeralda runs regular promotions, some offering up to 35% off and no charge for up to two kids. Book through the resort’s website and receive a free upgrade to the next room category (subject to availability) and a discount at the Grand Coral Golf Course.

SAVE
27% OFF
À LA CARTE
PRICES



EUROPEAN SKIING

Kinderhotel Felben

MITTERSILL, AUSTRIA felben.at/en

SET IN THE HEART of the Austrian Alps in the picturesque Salzkachal Valley, the Kinderhotel Felben has been drawing loyal German and Swiss families for years. The Alpine complex features airy rooms and suites done in the knotty-pine vein of an old-school ski chalet. You can hit the slopes via just about any means of snowy transport: downhill and cross-country skiing, tobogganing, snowboarding, snowshoeing, and hiking. In the summer months the Kinderhotel takes on an almost camplike vibe, with swimming, horseback riding, archery, golf, and more. For grownups, there's also a host of on-site spa treatments, including mud baths, facials, saunas, and massages.

FOR THE KIDS: Child care is available for children as young as 3 months, from 9 a.m. to 8 p.m. each day. For older kids, there are more than 70 hours of scheduled

activities a week, including pony and toboggan riding, swimming in one of two dedicated children's pools, and numerous games. Want to really spoil them? There are children's massages available too.

MEALS: Mostly hearty Alpine fare, such as schnitzel with mushroom soup, rustic potatoes, and pretzels. Of course, there's plenty of Austrian pastries too. Children can eat with their parents or in the kids' section for any meal of the day.

BOTTOM LINE: A weeklong stay for two adults and two children costs from \$3,074 (January, June, and November) to \$5,185 (mid-December and July to August). Price includes all meals,

À la carte
PER FAMILY
PER DAY

FOOD

\$232

+

LODGING

\$222

+

SKIING

\$160

=

TOTAL COST

\$614

vs.

All-inclusive
PER FAMILY
PER DAY

TOTAL COST

\$439

activities, the children's program, and taxes. **Not included:** Riding lessons (\$22 per person for a half-hour group lesson) and spa treatments (from \$33 to \$167).

MONEY-SAVING TIP:

Shop around for hidden flight deals. Munich and Salzburg are the most convenient airports to Mittersill, and a host of carriers fly to them, including low-cost European airlines Ryanair and EasyJet, says Melisse Hinkle, editor of Cheapflight.com. Turkish Airlines also recently announced plans to fly direct from

Miami to Munich. That said, don't fall for a cheap sticker price. Low-cost European airlines are notorious for their additional fees. If you're traveling with a lot of gear, especially in the winter, a full-service airline may offer the cheapest option. For instance, Ryanair charges a special \$44 fee to check skis; Lufthansa considers them to be part of your regular baggage allowance.

How to Book AFFORDABLE FLIGHTS

WITH AN ALL-INCLUSIVE, THE ONLY THING YOU HAVE TO WORRY ABOUT IS YOUR FLIGHT. BEFORE YOU BOOK, TRY THESE SAVINGS TIPS:

► **FLEXIBILITY IS KEY.** Look for your flights before you select your resort dates, as shifting a week or even a day earlier or later may help you save a lot. That's especially true when you multiply the savings by the number of family members making the trip. A midweek flight will often be the cheapest option.

► **DON'T BOOK FOR A GROUP AT FIRST.** Start your search as if you were traveling solo, says Melisse Hinkle, editor of Cheapflights.com. Sometimes there may be one seat remaining at the cheapest fare, but if you're looking for more than one, you'll be offered everything at the higher price.

► **CHECK OUT PACKAGE OFFERS.** You'll often find deals on flights and cars priced together. Particularly in the off-season, this is where discounts show up, both on airline websites or packagers such as Kayak.com, Hinkle says.

► **KNOW WHEN TO SHOP.** The optimal advance purchase time varies depending on your destination, according to Kayak's 2015 Travel Hacker Guide, which pulled data from more than 1 billion user searches.

- **North America:** Book four to six weeks ahead
- **Caribbean:** Two to four weeks ahead
- **Europe:** Six months

SAVE
29% OFF
À LA CARTE
PRICES



TAKING A RIDE UP TO
THE AUSTRIAN ALPS,
NEAR KITZBÜHEL

AT SANDPIPER BAY, PARENTS CAN RELAX WHILE KIDS LEARN TO COOK (BELOW).



WATERFRONT ESCAPE

Sandpiper Bay

PORT ST. LUCIE, FLA. clubmed.us

CLUB MED CREATED the all-inclusive concept in 1950, but Sandpiper Bay is the French company's only American property. Set on 216 acres along the St. Lucie River, the resort received a \$28 million renovation in 2010 and features five

pools (including an adults-only infinity pool) and several fitness academies. This is the chain's largest sports resort, with group lessons offered for almost everything. There are 20 tennis courts, an 18-hole golf course, volleyball, stand-up paddleboarding, sailing, water polo,

dance classes, a big dodgeball tournament, and, perhaps best of all, a 6,000-square-foot L'Occitane Spa where you can work out the day's sore muscles.

FOR THE KIDS: In addition to the sports programs, there's bingo, a junior cooking program, arts classes staffed with a full-time teacher, and a circus school. There are also four age-related clubs (babies, toddlers, kids, and teens) where the younger set can enjoy the day without you—and vice versa.

MEALS: Four on-site restaurants, including the Market, which features both an adults-only section and the Baby Corner, which is kid-friendly down to its scaled-down utensils.

BOTTOM LINE: From \$129 per adult per night in all seasons. Children under 4 stay free while

older kids stay for up to 50% off (priced on a sliding scale, with older kids costing a bit more). **Not included:** spa treatments (massages start at \$125), golf (\$12 to \$25 a round), and private sports lessons.

MONEY-SAVING TIP: Sign up for alerts on the ClubMed.us website for discounts of up to 40%, air credits, and complimentary room upgrades. Also, check out several airports. Orlando and Miami are each a little over two hours away, while Fort Lauderdale and Palm Beach are even closer.

Depending on your length of stay, it may be more economical to pay for Club Med's airport transfers rather than rent a car. The price is \$234 for a family of four to and from Fort Lauderdale airport and slightly higher to the others. **M**



À la carte PER FAMILY PER DAY

FOOD

\$202

+

LODGING

\$278

+

KAYAKING

\$180

=

TOTAL COST

\$660

VS.

All-inclusive PER FAMILY PER DAY

TOTAL COST

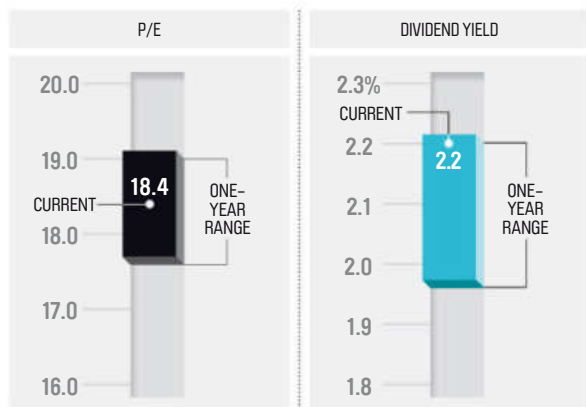
\$361



Commodity Stocks Slammed

THE LATE SUMMER slide in the stock market wreaked havoc on Wall Street. Hit hardest were energy, financial, and basic materials companies on concerns that the global economic slowdown—hastened by China's stock market crash—will cool the need for commodities and financing.

S&P 500 RATIOS



BENCHMARKS

INDEX	ONE MONTH	ONE YEAR	THREE YEARS ¹
S&P 500	-6.5%	-1.0%	13.6%
Nasdaq ²	-7.7	2.8	15.2
Russell 2000	-7.6	-2.4	13.4
Morgan Stanley EAFE	-8.1	-9.5	7.6
Dow Jones Industrial average	-7.0	-2.5	10.0
Barclays U.S. aggregate bond index	0.2	1.9	1.7

SECTOR	ONE MONTH	ONE YEAR	THREE YEARS ¹
Utilities	1.1	4.9	9.5
Telecom services	-3.8	-4.6	3.0
Industrials	-4.6	-4.7	13.4
Consumer staples	-5.3	6.9	12.5
Health care	-5.4	12.7	24.3
Consumer discretionary	-6.4	8.9	19.5
Information technology	-6.9	0.9	12.2
Basic materials	-7.2	-15.8	7.4
Financials	-8.0	0.8	17.3
Energy	-11.8	-35.4	-3.6

NOTES AND SOURCES: Stock index data as of Aug. 26 from Lipper; 877-955-4773. Sector returns from Bloomberg. Bond index data from Barclays. Monthly S&P 500 ratios are from Standard & Poor's as of Aug. 28. P/E ratios are based on previous four quarters of operating earnings including estimates for Q2 2015. Biggest funds ranked by total net assets. ¹Annualized. ²Price change only.

BIGGEST MUTUAL FUNDS BY CATEGORY

CATEGORY	ONE YEAR	THREE YEARS ¹	EXPENSES (AS % OF ASSETS)
LARGE-CAP STOCKS			
Fidelity Contrafund (FCNTX)	3.0%	14.7%	0.64
American Funds Growth Fund of America (AGTHX)	0.7	15.4	0.66
Dodge & Cox Stock (DODGX)	-5.7	15.0	0.52
American Funds Investment Co. of America (AIVSX)	-3.9	12.8	0.59
American Funds Wash. Mutual Investors (AWSHX)	-4.1	11.7	0.58
MIDCAP			
Fidelity Low-Priced Stock (FLPSX)	-0.1	14.5	0.82
Vanguard Mid-Cap Index (VIMAX)	0.6	16.0	0.09
Fidelity Spartan Extended Market Index (FSEVX)	-2.6	14.8	0.07
Vanguard Extended Market Index (VEXAX)	-2.7	14.9	0.10
Columbia Acorn (ACRNK)	-3.8	10.8	0.79
SMALL-CAP			
Vanguard Small-Cap Index (VSMAX)	-3.3	14.5	0.09
Vanguard Explorer (VEXRX)	-1.3	15.3	0.36
T. Rowe Price Small-Cap Value (PRISVX)	-6.5	10.0	0.96
Vanguard Small-Cap Value Index Fund (VSIAX)	-4.5	14.8	0.09
Vanguard Small-Cap Growth Index (VSGAX)	-1.8	13.8	0.09
BALANCED			
Vanguard Wellington (VWENX)	-1.5	9.4	0.18
American Funds American Balanced (ABALX)	-1.1	9.7	0.59
Fidelity Balanced (FBALX)	-0.1	9.9	0.56
Fidelity Puritan Fund (FPUXK)	0.3	10.2	0.56
Vanguard Star Fund (VGSTX)	-2.0	8.7	0.34
INTERNATIONAL			
Vanguard Total International Stock Index (VTGSX)	-13.2	4.8	0.22
Harbor International (HAINX)	-10.4	5.3	0.75
American Funds EuroPacific Growth (AEPGX)	-5.9	7.9	0.83
Vanguard International Growth Fund (VWILX)	-11.7	6.8	0.34
Fidelity Diversified International Fund (FDIVX)	-2.7	10.2	0.91
EMERGING MARKETS			
American Funds New World (NEWFX)	-15.2	2.0	1.03
Vanguard Emerging Markets Stock Index (VEMAX)	-23.9	-3.5	0.15
T. Rowe Price Emerging Markets Stock (PRMSX)	-21.0	-2.3	1.24
Fidelity Emerging Markets (FEMKX)	-19.7	0.2	1.07
Russell Emerging Markets (REMSX)	-26.4	-3.7	1.51
U.S. GOVERNMENT BONDS			
Fidelity Government Income (FGOVX)	2.4	1.3	0.45
American Funds U.S. Government Securities (AMUSX)	2.1	1.1	0.64
MFS Government Securities (MFGSX)	1.7	0.8	0.88
J.P. Morgan Government Bond (JGGBX)	2.7	1.0	0.75
Sit U.S. Government Securities (SNGVX)	1.8	0.5	0.80
INVESTMENT-GRADE			
Vanguard Total Bond Market Index (VBTLX)	1.7	1.6	0.07
Vanguard Total Bond Market II Index (VTBIX)	1.6	1.5	0.10
Dodge & Cox Income (DDIX)	0.0	2.5	0.44
Vanguard Short-Term Investment-Grade (VFSUX)	1.1	1.8	0.10
T. Rowe Price New Income (PRCIX)	1.0	1.7	0.61
HIGH YIELD			
Vanguard High-Yield Corporate (VWEAX)	-0.2	4.8	0.13
American Funds American High-Income Trust (AHTX)	-5.8	3.2	0.66
Fidelity Capital & Income (FAGIX)	-0.8	7.3	0.72
Fidelity High Income (SPHIX)	-3.0	4.0	0.72
Northern High Yield Fixed Income (NHFIX)	-3.9	4.8	0.81
TAX-EXEMPT			
Vanguard Intermediate-Term Tax-Exempt (VWIUX)	2.3	2.7	0.12
Fidelity Municipal Money Market (FTMX)	0.0	0.0	0.40
Vanguard Limited-Term Tax-Exempt (VWLUX)	0.8	1.2	0.12
Vanguard Tax-Exempt Money Market (VMSGX)	0.0	0.0	0.16
Vanguard Short-Term Tax-Exempt Fund (VWSUX)	0.4	0.6	0.12

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WITH A BUSINESS THAT GOES THE DISTANCE



This is your chance to get in on the big game action as a team player with Right at Home, where the average net revenue per franchisee entity is \$1.3 million¹.

In his previous career, Bill Love spent many successful years working in manufacturing and merchandising for well-known department stores. After years of traveling back and forth to New York City and spending days at a time away from his family, Bill was ready for a career change. He and his wife, Christy, decided it was the right time to pursue an opportunity that allowed them to make a difference in their community while simultaneously providing the lifestyle they wanted for their family.

Both my wife and I had always wanted to own our own business, and we knew that we wanted to serve the senior population, said Bill Love. When we found Right at Home, we were impressed with their business model, their corporate staff, and the support system they offered to their franchisees; we knew it was the right fit for us."

The couple purchased a second territory after a year of operating their first location. "Owning a Right at Home Franchise has been very rewarding and has allowed us to build a secure future for our family, said Love.

Right at Home's Success with Significance® initiative has become a central focus in the company's philanthropic philosophy, and the brand has been proud to welcome franchisees like the Loves that fully embody the principles of this mission.

RIGHT AT HOME BY THE NUMBERS

LOCATIONS

460 IN 8 COUNTRIES

AVERAGE NET REVENUE PER FRANCHISEE ENTITY¹

\$1,350,469.41

AVERAGE GROSS MARGIN²

38%



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CALL 1-877-697-7537 OR GO ONLINE TO WWW.RIGHTATHOMEFRANCHISE.COM/MONEY TODAY!

¹ There is no assurance that your Franchised Business will do as well as those referenced above. Actual results vary from business to business.

² Net Billings in 2014 for 222 Franchisee Entities who own, collectively, 316 Franchised Businesses open 12 months or more as of December 31, 2014. 77 or 35% of these Franchisee Entities attained or surpassed the represented level of financial performance.

³ Average gross margin in 2014 of 316 Franchise Businesses open 12 months or more as of December 31, 2014; 168 or 54% of these Franchise Businesses attained or surpassed the represented level of financial performance.

Right at Home, Inc. 6464 Center St., Ste. 150, Omaha, NE 68106. This information is not intended as an offer to sell, or the solicitation of an offer to buy a franchise. It is for information purposes only.

Diversification Shows Its Value

WHILE MOST *MONEY 50* PORTFOLIOS FELL IN THE PULLBACK, BALANCED FUNDS HELD THEIR OWN.

WORRIES ABOUT the global economy spilled out of Asia in late August and spread around the world. That, coupled with anxiety about the Federal Reserve's impending interest rate hike, pushed Wall Street into an official correction, defined as a loss of 10% or greater. Every stock portfolio in our recommended list of mutual funds and ETFs finished in the red in the four weeks ended Aug. 26.

As usual, though, investors with diversified strategies weathered the storm best. For instance, while **T. Rowe Price Emerging Markets Stock** lost more than 20% in the past 12 months, **T. Rowe Price Retirement 2020**—which owns that and other stock funds but also keeps a third of its assets in bond funds and cash—fell just 3% in the past year. —IAN SALISBURY

HOW TO USE OUR RECOMMENDED LIST

Building-block funds: For broad exposure to core asset classes
Custom funds: Specialized investments that can tilt your strategy
One-decision funds: If you want stocks and bonds in one portfolio

FUND (TICKER)	TOTAL RETURN			EXPENSES (AS % OF ASSETS)	PHONE NUMBER (800)
	ONE MONTH	ONE YEAR	THREE YEARS ¹		
BUILDING—BLOCK FUNDS					
▼ Large-Cap					
Schwab S&P 500 Index (SWPPX)	−6.5%	−1.1%	13.5%	0.09	435-4000
Schwab Total Stock Market Index (SWTSX)	−6.5	−1.4	13.7	0.09	435-4000
▼ Midcap/Small-Cap					
iShares Core S&P Mid-Cap (LH)	−6.0	−2.0	14.2	0.12	474-2737
iShares Core S&P Small Cap (UR)	−5.9	−0.8	14.5	0.12	474-2737
▼ Foreign					
Fidelity Spartan International (FSIX)	−7.0	−8.7	7.9	0.20	544-8544
Vanguard Total Intl. Stock (VTGSX)	−7.9	−13.2	4.8	0.22	662-7447
Vanguard FTSE A/W ex-U.S. Small (VFSMX)	−7.6	−13.8	5.8	0.37	662-7447
Vanguard Emerging Markets (VIEEX)	−12.7	−24.0	−3.7	0.33	662-7447
▼ Specialty					
Vanguard REIT Index Investor (VGSIX)	−4.6	0.8	7.9	0.26	662-7447
▼ Bond					
Vanguard Total Bond Market (VBIMX)	0.1	1.6	1.5	0.20	662-7447

FUND (TICKER)	TOTAL RETURN			EXPENSES (AS % OF ASSETS)	PHONE NUMBER (800)
	ONE MONTH	ONE YEAR	THREE YEARS ¹		
Vanguard Short-Term Bond (VBSX)	0.2%	1.4%	1.0%	0.20	662-7447
Vanguard Inflation-Protected (VIPX)	-1.1	-3.2	-1.6	0.20	662-7447
Vanguard Short-Term Infl.-Prot. (VTFP)	-0.6	-2.5	N.A.	0.10	662-7447
Vanguard Total Intl. Bond Index (VTIBX)	-0.1	2.7	N.A.	0.23	662-7447
CUSTOM FUNDS					
▼ Large-Cap					
Dodge & Cox Stock (DODSX)	-8.2	-5.7	15.0	0.52	621-3979
PowerShares FTSE RAFI U.S. 1000 (PRF)	-6.8	-4.9	13.8	0.39	843-2639
Sound Shore (SSAFX)	-7.6	-6.0	16.1	0.92	551-1980
Primecap Odyssey Growth (POGRX)	-5.9	2.0	17.3	0.63	729-2307
T. Rowe Price Blue Chip Growth (TRBCX)	-6.4	5.9	17.8	0.72	638-5660
▼ Midcap					
Delafield Fund (DEFX)	-8.5	-23.1	3.9	1.21	697-3863
Aniel Appreciation (ANAPX)	-8.5	-4.5	16.4	1.12	292-7435
Weitz Hickory (WEHX)	-4.6	-3.9	8.8	1.23	304-9745
T. Rowe Price Div. Mid Cap Gro. (PRDMX)	-6.1	3.9	15.6	0.89	638-5660
▼ Small-Cap					
Royce Opportunity (ROYOX)	-7.4	-14.6	10.6	1.15	221-4268
Vanguard Small-Cap Value (VSR)	-5.9	-4.5	14.8	0.09	662-7447
Berwyn (BERWX)	-4.1	-15.0	7.4	1.17	992-6757
Wasatch Small Cap Growth (WASGX)	-6.9	1.7	11.1	1.21	551-1700
▼ Specialty					
PowerShares Intl. Div. Achievers (PIC)	-8.5	-21.2	2.6	0.54	983-0903
SPDR S&P Dividend (SDY)	-4.5	-0.5	12.6	0.35	787-2257
Cohen & Steers Realty Shares (CSRX)	-4.6	3.1	8.7	0.97	437-9912
SPDR Dow Jones Intl. Real Estate (PAX)	-6.5	-10.0	5.4	0.59	787-2257
iShares N. America Nat. Resources (IE)	-11.3	-39.3	-7.1	0.48	474-2737
▼ Foreign					
Dakmark International (DAXX)	-8.3	-7.7	11.4	0.95	625-6275
Vanguard International Growth (VWGX)	-9.7	-11.8	6.7	0.47	662-7447
T. Rowe Price Emerging Markets (TRBEX)	-12.0	-21.0	-2.3	1.24	638-5660
▼ Bond					
Dodge & Cox Income (DODIX)	-0.7	0.0	2.5	0.44	621-3979
Fidelity Total Bond (FTBFX)	-0.5	1.0	2.1	0.45	544-8544
Vanguard Short-Term Inv. Grade (VSTGX)	0.1	1.0	1.7	0.20	662-7447
iShares iBoxx \$ Inv. Grade Corp. Bond (LQD)	-0.8	-1.1	2.2	0.15	474-2737
Loomis Sayles Bond (LSBFX)	-1.8	-7.8	3.1	0.91	633-3330
Fidelity High Income (SPHIX)	-1.8	-3.0	4.0	0.72	544-8544
Vanguard Intm.-Term Tax-Ex. (VWITX)	0.3	2.2	2.6	0.20	662-7447
Vanguard Limited-Term Tax-Ex. (VWLTIX)	0.1	0.7	1.1	0.20	662-7447
Templeton Global Bond (TRNBX) ³	-5.5	-9.0	0.8	0.88	632-2301
Fidelity New Markets Income (FNMIX)	-2.9	-6.8	0.7	0.90	544-8544
ONE-DECISION FUNDS					
▼ Balanced					
Fidelity Balanced (FBALX)	-4.8	-0.1	9.9	0.56	544-8544
Fidelity Global Balanced (FGBLX)	-3.8	-5.5	5.5	0.99	544-8544
Vanguard Wellington (VWELX)	-4.5	-1.6	9.3	0.26	662-7447
▼ Target Date					
T. Rowe Price Retirement series (STOCK/BOND ALLOCATION)					
Example: 2005 Fund (45%/55%) (TRFXX)	-3.2	-2.9	5.1	0.59	638-5660
Example: 2020 Fund (68%/32%) (TRHXX)	-4.7	-3.2	8.3	0.69	638-5660
Vanguard Target Retirement series					
Example: 2025 Fund (70%/30%) (VTVXX)	-4.7	-2.7	8.4	0.17	662-7447
Example: 2035 Fund (84%/16%) (VTBXX)	-5.8	-3.9	9.7	0.18	662-7447

NOTES: As of Aug. 26, 2015. N.A.: Not available. Load funds are included for those who prefer to use a broker. ¹Annualized. ²Phone numbers are 866. ³4.25% sales load. SOURCES: Lipper, New York, 877-955-4773; the fund companies

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All the Bells and Whistles for a Lot Less Money *The New York Times* 2010

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Learning to Jump for Joy

by Taylor Jenkins Reid

MY GRANDMOTHER ALWAYS told me I was working too hard. Every phone call, she would phrase it the same way. “You need to lighten up. Learn to stop and smell the roses once in a while.” I always answered her with, “Soon, Grammy. I promise.”

Then last year, at age 74, she passed away. And I realized that there is no such thing as “soon.” My grandmother was asking me to make time in my life for joy. Suddenly, though I’m only 31, it felt imperative that I listen.

When I reflected on the moments when I have felt truly free, my mind kept going to an unconventional place: bouncing on a trampoline. Growing up, a few of my friends had trampolines in their yards, and I always felt such glee jumping into the air, specifically in those milliseconds when you’re

floating, unsure just how high you’ll go. I’d always secretly wanted to buy one, but I would talk myself out of it. They were too expensive, too silly, too likely to send me to the ER when I bounced off the side and careened, head first, onto the ground.

But wasn’t that behavior exactly what my grandmother had been talking about? I needed to stop worrying and just enjoy myself. So I went on Amazon and found a bright-blue, 12-foot trampoline for \$216.99. As a neurotically frugal consumer, I normally comparison shop for days before committing. This time I bought with one click.

As I waited for it to ship, I felt sort of stupid for spending over \$200 on what was, essentially, an oversize toy. But when my trampoline arrived a week later, I couldn’t deny that I was excited. I dragged it into the backyard, enlisting my husband to help me put it together. Then I kicked off my shoes.

I sprang myself only about three feet into the air, but before I fell back to the mat, I was already giddy with the type of effortless laughter that escapes your mouth not as the result of a joke, but as the result of joy. I felt carefree—and at peace.

When I finally tired out, I landed softly and rested there for a moment, catching my breath. Then I looked up to the sky. My grandmother had told me to lighten up. While I’m not sure a trampoline is quite what she had in mind, I do know it’s exactly what she meant.

*Taylor Jenkins Reid is the author of *Maybe in Another Life* and *Forever, Interrupted*. She lives in Los Angeles.*



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